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JOBS FOR ALBERTANS: Alberta's Economic Strategy

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Alberta
ECONOMIC DEVELOPMENT
AND TRADE

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TABLE OF CONTENTS

1. May 1991: 1991 Alberta Business Outlook
2. Business Comments: Alberta's Economic Prospects
3. Jobs for Albertans: Alberta's Economic Strategy
4. Examples: Successful Program and Non-Program Assistance to Business
5. Five Case Studies: Employment and Spin-Off Benefits
6. Criteria: Non-Program Assistance
7. Letters: to the Editor
8. Examples: Letters Received from Businesses
9. March 1991: Major Development Projects

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1991 Alberta Business Outlook

ALBERTA BUSINESS OUTLOOK – 1991

TABLE OF CONTENTS

Alberta Business Outlook – 1991	
Highlights	1
An Overview of Alberta's Economy	
Canadian Outlook	3
Alberta Performance and Outlook	4
Sectoral Outlook	6
Alberta Facts at a Glance	10
Key Economic Indicators	11

HIGHLIGHTS

- The Alberta economy is continuing to expand and create new jobs while most of the North American economy is in the midst of a recession.
- Alberta's real growth rate of 1.5 per cent in 1991 will be three times higher than that of the United States, and far better than the 1.1 per cent decline expected for Canada as a whole.
- Progress has been achieved in diversifying Alberta's economic base, and the benefits are evident from the stronger and more stable growth of the economy.
- Despite substantially lower average world energy and grain prices since 1986, the Alberta economy has continued to expand. In fact, *107,000 new jobs have been created* in Alberta over the past five years.
- For 1991, *the creation of another 12,000 jobs* in Alberta is expected. In contrast, total Canadian employment is projected to decline by 230,000 and the national unemployment rate is expected to exceed 10 per cent.
- Alberta's unemployment rate is forecast to average less than eight per cent in 1991, despite rapid growth in the province's labour force.
- Net migration to Alberta reached an estimated 22,000 in 1990, and the net inflow of international and interprovincial migrants is expected to remain strong through 1991 owing to our favourable employment picture.

- Alberta's population grew by more than 50,000 in 1990, and reached the 2.5 million mark this January.
- Economic growth will continue to be supported by strong investment activity. Real business investment outside the energy sector will be over 80 per cent higher in 1991 than in 1985.
- New industrial development and continued strong performance in advanced technologies, forest products, business services, tourism, and petrochemicals and plastics will provide the impetus for even stronger and more diversified growth in the future.

AN OVERVIEW OF ALBERTA'S ECONOMY

CANADIAN OUTLOOK

The Canadian economy is currently in the midst of a deep recession that is expected to continue to at least until mid-1991.

The national unemployment rate has steadily increased from 7.2 per cent in March 1990 to 10.5 per cent in March 1991 (seasonally adjusted basis). Alberta's unemployment rate in March 1991 was 7.7 per cent, compared to 9.9 per cent in Ontario and 10.2 per cent in British Columbia.

The Canadian economy grew by only 0.9 per cent in 1990 and, according to the Conference Board of Canada, is projected to contract by 1.1 per cent in 1991, before recovering in 1992.

This is not just a Canadian problem; the global economic situation has deteriorated considerably over the past year. Global economic growth over the next year is expected to be the slowest since the 1981/82 recession.

Many factors have contributed to the current recession in Canada including the downturn in the United States economy – our major export market – the tight monetary policy which has led to high interest rates and an over-valued Canadian dollar, and weaker international commodity prices (metals, grains, forest products, etc.). While interest rates have dropped in recent months, there continues to be a wide spread between Canadian and United States interest rates.

ALBERTA PERFORMANCE AND OUTLOOK

The Alberta economy has been shielded to this point from the current North American recession. Most economists are forecasting real economic growth in the province to be about 1.5 per cent in 1991. Alberta will outperform the Canadian economy through 1991 and 1992. The Toronto-Dominion Bank's latest forecast calls for Alberta to lead all provinces in economic growth in 1991 with a real growth rate of 1.6 per cent.

Considerable progress has been achieved in diversifying the Alberta economy, as new higher value-added industries, products and services have developed, contributing to this stronger and more stable growth in the economy.

The benefits of a more diversified economic base are evident from the performance of the Alberta economy in recent years. Despite substantially lower average world energy and grain prices since 1986, the Alberta economy has continued to expand. In fact, *107,000 new jobs have been created* in Alberta over the past five years, with virtually all of the employment growth occurring outside of the primary energy and agriculture sectors. *Another 12,000 jobs are expected to be created in Alberta in 1991*.

Despite these achievements, we cannot view the Alberta economy in isolation of international events, or the business climate that exists in Canada and other industrialized countries. The key factors, which will continue to impact Alberta's economic performance in the short term, include:

- the overvalued Canadian dollar;
- the effects of the GST on consumer prices and wage demands;
- the current uncertainty in international crude oil prices; and
- the depth and duration of the recession in Alberta's key national and international markets.

With the introduction of the seven per cent GST, inflation in Alberta is expected to increase to about 6.5 per cent in 1991 – up from 5.8 per cent in 1990. The GST will add about 1.5 percentage points to the inflation rate in 1991.

One of the main risks in Alberta's outlook continues to be the uncertainty in world oil prices created by the crisis and war in the Persian Gulf. With oil prices fluctuating between $17 and $40 per barrel over the past few months, new investment is certainly not without risk, and cannot be relied on as a stable source of growth.

Alberta's economic growth over the next 12 to 18 months will continue to be supported by strong investment activity. Major capital projects, such as the $1.3 billion Husky Upgrader, the $1.6 billion Al-Pac pulp and paper mill, and the $800 million Dow Chemical hydrocarbons project, combined with increased conventional oil and gas drilling activity, will stimulate growth in other sectors of the economy.

With nearly $23 billion in major industrial development projects announced, planned, or under construction in the Province, capital investment will continue to make a strong contribution to Alberta's long-term economic growth.

In the residential construction industry, 1990 was the best year for new home builders since the early 1980s, with more than 17,000 housing starts.

Alberta's positive net interprovincial and international migration, estimated at almost 22,000 in 1990, was one of the factors contributing to the Province's strong residential construction market. Net migration is expected to remain strong in 1991.

The importance of Alberta as a trading province continues to expand, as the value of international exports increased by 19 per cent in 1990 to $17.1 billion. International exports accounted for about 23 per cent of Alberta's Gross Domestic Product (GDP) in 1990. In addition, it is estimated that *250,000 Albertans are directly and indirectly employed as a result of international trade*.

SECTORAL OUTLOOK

Energy

Despite the current uncertainty in international crude oil prices, the Canadian Petroleum Association is forecasting that conventional drilling activity in Western Canada will be up slightly this year compared to 1990. About 70 per cent of the activity will be based in Alberta.

The Alberta government is providing financial support to facilitate the development of major projects such as the $1.3 billion Husky Oil Upgrader at Lloydminster (currently under construction), and the proposed $4.1 billion OSLO oil sands project near Fort McMurray.

One of the major natural gas finds in the last decade has been the Caroline field. Shell Canada has received approval to commence construction this year on their $825 million gas processing plant and related infrastructure near Caroline.

While increased gas exports to the United States are currently limited by pipeline capacity, numerous pipeline expansion projects are currently under construction or planned to expand pipeline capacity in the United States. TransCanada Pipelines Limited has received approval from the National Energy Board to begin a $2.5 billion expansion of its pipeline network. Total pipeline capacity to the United States should be 50 per cent higher by the end of 1995.

Nova Corp. of Calgary is also proceeding with plans to spend another $600 million this year on expansion of the natural gas collection system in the province.

Forest Products

The forest products industry continues to be one of the highlights of Alberta's economy.

In total, approximately $3.5 billion in new investment in forestry development projects have been recently completed or approved in Northern Alberta. This includes the $1.6 billion Al-Pac project which received Alberta Cabinet approval in December 1990, and is expected to commence construction this Spring. Using the latest technologies available, these projects will make Alberta's forest products industry one of the most efficient and environmentally safe in the world.

Investment in forest products has already created opportunities for the manufacture of environmentally safe industrial chemicals. Construction is currently underway on three sodium chlorate plants (valued at more than $155 million) as well as Dupont's hydrogen peroxide plant ($120 million).

Agriculture

Net realized farm income fell in 1990 due to lower international grain and oilseed prices, and a further decline is expected in 1991. Grain farmers continue to be hurt by the subsidy war between the United States and the European Community. However, program payments to farmers are expected to increase under the new Gross Revenue Insurance Program (GRIP), which will help provide a more certain financial environment for participating farmers in 1991/92.

Continued strength in the livestock sector, in particular the beef sector, will offset much of the projected decline in crop receipts. Cattle prices were higher in 1990 and with the current strong North American demand for beef, further improvement is expected for 1991. The livestock sector now accounts for close to 60 per cent of total farm cash receipts in Alberta.

Manufacturing

Alberta's manufacturing sector has made a major contribution to Alberta's economic development and diversification. Investment in manufacturing increased by 10 per cent in 1990 to $2.4 billion. This represents a continuation of the impressive growth in manufacturing investment since 1985, and will lead to greater employment and production in the years ahead.

Major new investment is planned or underway in the petrochemical industry, which will further add to Alberta's productive capacity in higher value-added products. This includes Dow Chemical's $800 million hydrocarbon facility, currently under construction in Fort Saskatchewan, as well as the Neste Oy/Petro Canada $300 million MTBE (octane enhancer) facility near Edmonton. Union Carbide has also announced its intention to proceed with a $385 million expansion of its ethylene glycol facility near Red Deer.

The food processing industry, which is Alberta's largest manufacturing industry, has been highly successful in attracting new investment to add further value to Alberta's agricultural products and to develop new product lines. The annual value of food processing shipments, estimated at $4.5 billion in 1990, now exceeds the value of primary agriculture production in Alberta.

Alberta has also developed a highly innovative and competitive oil and gasfield equipment industry that has gained international recognition, with major export markets in more than 30 countries around the world. Other areas of advanced industrial products that have been developing in Alberta, and attracting new investment, include the electronics industry, the transportation and aerospace equipment industry, as well as plastics and building products.

Advanced Technologies

Alberta's advanced technology sector has demonstrated impressive growth over the past decade. *Over 50,000 Albertans are now employed* by nearly 1,000 advanced technology firms operating in the Province.

Alberta companies are involved in a wide range of activities including the development of medical technologies (supported by the $300 million Alberta Heritage Foundation for Medical Research), biotechnology, pharmaceuticals, specialty chemicals, advanced industrial materials, telecommunications, instrumentation, and computers and software.

With one of the largest per capita research budgets of any Canadian province, Alberta's goal has been to encourage scientific and technical excellence in its industrial community. Weighing the admitted risk against ultimate rewards, the province has made significant investment in new research centres and in programs aimed at encouraging industrial research, commercializing promising university-based technology, and pursuing markets for Alberta's high tech products and expertise.

The $140 million WESTAIM project at Fort Saskatchewan is an excellent example of the type of new industry/government cooperation that is required to put Alberta in the forefront of advanced materials technologies.

Services

Alberta's service industries are an essential part of the provincial economy. Services now account for approximately 60 per cent of Alberta's Gross Domestic Product and for more than 70 per cent of all jobs in the Province.

Many of the business service industries (engineering, environmental technologies, computer services, scientific and technical services, finance and real estate, etc.) – as well as tourism, transportation, and communications – represent focal points for future growth and job creation.

Alberta-based service firms have been extremely successful in developing technologies in a number of environmental protection applications which meet or exceed internationally recognized standards. Some of these areas of expertise include: land and water management, industrial waste water treatment, sewage and chemical waste treatment, recycling and waste management, and sulphur recovery.

In 1990, Alberta's tourism industry generated an estimated $2.6 billion in receipts and *provided 75,000 person years of employment*. With tourism forecast to become the world's largest industry by the year 2000, Alberta's tourism industry should continue to experience steady growth over the next decade.

The Banff-Canmore corridor, in particular, is attracting substantial new investment in world-class tourism facilities. An estimated $1.3 billion in new tourism projects for the area have been proposed or are under construction.

Although the long term prospects for Alberta's tourism industry look promising, the outlook for 1991 is for little, if any, growth. The implementation of the GST is expected to have an adverse impact on tourism revenues. Furthermore, the economic slowdown in Canada and the U.S. is expected to result in fewer visitors to Alberta with a corresponding decline in expenditures.

ALBERTA FACTS AT A GLANCE

Land Area	661,185 sq. km.
Population	2,471,600
Median Age (Years)	30.9
THE ECONOMY	**1990**
Gross Domestic Product (preliminary estimate)	$72.9 billion
Private and Public Investment	$21.8 billion
Manufacturing Shipments	$19.9 billion
Tourism receipts (preliminary estimate)	$2.6 billion
Exports (preliminary estimate)	$17.1 billion
Retail Sales	$19.9 billion
Farm Cash Receipts	$4.2 billion
Value of Construction Work	$13.3 billion
Housing Starts	17,227 units
Labour Force	1.324 million
Employment	1.231 million
Value of Mineral Production	
Crude Oil	$11.7 billion
Natural Gas	$5.0 billion
Natural Gas By-Products	$1.2 billion
Sulphur	$397 million
Coal (estimate)	$482 million

SOURCES: Statistics Canada
Alberta Energy Resources Conservation Board
Alberta Economic Development & Trade

KEY ECONOMIC INDICATORS
ALBERTA, CANADA

	1990[1] Alberta	Canada	1991 Alberta[2]	Canada[3]
Real Economic Growth				
GDP – % change	2.8	0.9	1.5	-1.1
Employment Growth				
Jobs Created	17,000	86,000	12,000	-230,000
% Change – Total Employment	1.4	0.7	1.0	-1.8
Unemployment Rate	7.0	8.1	7.8	10.3
Inflation Rate (CPI)	5.8	4.8	6.5	5.7
Housing Starts				
Number	17,227	181,630	16,000	138,000
% Change	17.1	-15.7	-5.8	-24.0
Manufacturing Shipments				
$ Millions	19,900	295,600	na	na
% Change	7.5	-2.5		

[1] Actual Data or Preliminary Estimates
[2] Alberta Treasury
[3] Conference Board of Canada

BUSINESS COMMENTS

Alberta's Economic Prospects

BUSINESS COMMENTS ON ALBERTA'S ECONOMIC PROSPECTS

TORONTO DOMINION BANK (April 23, 1991)

- Alberta will continue to have the best-performing economy in Canada this year.
- Alberta's economy has come through the difficult 1980s in good shape and seems to be well-poised for a healthy decade in the 1990s.
- Alberta's economy should grow by three per cent to four per cent in 1992 and 1993, with continuing gains in employment and housing starts.

THE ROYAL BANK (January 17, 1991)

- Energy-rich Alberta takes top marks in an economic report card.
- Alberta is forecast to outperform the other provinces during the difficult years of 1991 and 1992.
- Economic growth in Alberta is expected to average 1.7 per cent this year and 3.2 per cent in 1992 – as recession runs rampant in the manufacturing centres of Ontario and Quebec.

THE CONFERENCE BOARD OF CANADA (February 20, 1991)

- Alberta and Newfoundland will fare the best of all ten provinces as higher oil prices and the Hibernia megaproject bolster business activity.

THE CANADA MORTGAGE AND HOUSING CORPORATION (April 13, 1991)

- Canada Mortgage and Housing Corporation expects 18,000 people to flock into Alberta this year, stimulating the economy as they purchase houses and new furnishings to fill them.

THE CANADIAN FEDERATION OF INDEPENDENT BUSINESS (January 12, 1991)

- There is general confidence that Alberta will miss the brunt of the national recession. The economy will weaken but moderate growth will continue.

ALBERTA CONSTRUCTION ASSOCIATION (March 1991)

- One of the big reasons Alberta is shrugging off the effects of the current recession can be found up North, where mega-projects are fuelling a booming construction scene.

JOBS FOR ALBERTANS

Alberta's Economic Strategy

JOBS FOR ALBERTANS

- The Alberta government has placed a priority on economic diversification and on providing Albertans with a choice of challenging career opportunities.
- A diversified economy means greater economic stability and reduced swings in employment levels. It also opens up a wider range of career options, as emerging industries create challenging new job opportunities.
- Over the long term, diversification minimizes the negative effects of market cycles, resulting in a more stable job market and more secure family incomes.

ALBERTA'S ECONOMIC STRATEGY

- *The Alberta government's economic strategy has been to encourage further diversification and value-added processing through a number of policy and program vehicles.* The types of assistance used have changed over time to reflect the needs of the economy and to respond flexibly to Alberta's development priorities. With a stronger and more diversified economy, the Alberta government is becoming less involved in providing direct financial assistance to business.
- The performance of the Alberta economy can be divided into three distinct periods:

> *1970 – 1981: A period when high oil prices financed a drive for increased diversification.*

- During this time, there was rapid growth in Alberta's economic output, employment and population, largely spurred by rising oil prices. It was recognized that over the longer term, Alberta had to become less dependent on the sale of unprocessed resources, particularly non-renewable resources. As a result, priority was placed on promoting diversification and upgrading Alberta's hydrocarbon and agricultural resources.

- This was accomplished by providing a highly competitive tax environment, world-class economic infrastructure, and by setting aside a portion of non-renewable resource revenues (through the Heritage Savings Trust Fund) to promote diversification. Other aspects of this thrust included policies specifically geared to encourage the upgrading of ethane in Alberta to petrochemicals, and extensive support to irrigation and research in agriculture to diversify the product mix.
- The results achieved in this period were impressive. Alberta established a world-class petrochemical industry and attracted major new investment in non-conventional energy production, (e.g. Syncrude). Extensive infrastructure was also developed in education, health care, transportation and communications to further stimulate economic development and diversification in Alberta.

1982 – 1987: A period when the priority on diversification was accelerated to offset the effects of low commodity prices.

- This was a difficult period for the Alberta economy which was hard hit by the 1981–1982 recession and the federally-imposed National Energy Program. Annual investment in Alberta declined by almost 30 per cent between 1981 and 1984, causing a more severe and prolonged recession in Alberta than in Canada as a whole. World oil and grain prices subsequently collapsed in 1986, resulting in an 11 per cent decline in Alberta's nominal Gross Domestic Product (GDP) for that year.
- As a result of the prolonged economic downturn, the banks took a much harder line on their lending practices in Alberta. For new businesses and higher risk ventures, it became extremely difficult to obtain financing from conventional sources.
- Faced with this situation, the Alberta government stepped up efforts to diversify and to kick-start projects which would have otherwise been deferred or cancelled. This involved taking a more active role in the economy through the use of loans, guarantees and other direct intervention to attract new investment to Alberta. The Alberta

government set out this approach in the 1984 White Paper – "Proposals for an Industrial and Science Strategy for Albertans".

- One example of the Alberta government's more active role in diversifying the economy was the Syncrude Capacity Addition Project, worth more than $700 million. This project was able to proceed through a $270 million royalty deferral program offered by the Alberta government.
- During this period, Alberta's economic strategy became more focussed on the advanced technologies as the basis for future growth. There was significant international competition to attract these industries, which meant Alberta had to be prepared to offer similar incentives.
- A number of initiatives were launched by the Alberta government to develop venture capital pools, including Vencap Equities Alberta Limited and the Small Business Equity Corporations Program. Major R&D facilities were also established, including the Alberta Laser Institute, the ARC Biotechnology Pilot Plant, the Electronics Test Centre, the Centre for Frontier Engineering Research, the Alberta Microelectronic Centre, and the Food Processing Development Centre.
- Another major thrust of Alberta's diversification strategy was in the area of tourism development. With the rapid growth in international travel, the Alberta government recognized that tourism offered enormous growth potential for the province. Since 1986, the Canada/Alberta Tourism Agreement has allocated $56.3 million toward facility development, marketing, research, training and community development. In total, this assisted 492 tourism related projects worth $335 million.

1988 – Present: A period of solid economic growth with forestry as a new pillar of diversification.

- Real economic growth in Alberta recovered strongly, with almost 107,000 new jobs created in the last five years. Private non-energy investment in 1990 exceeded $10 billion, almost double the level in 1985. This growth reflects the more diversified economic base which had developed in the 1980s.

- The Alberta government's strategy has become more focussed on encouraging new diversification through support to the forest products and advanced technology industries.
- In particular, there has been over $3.5 billion in new forestry investment. Much of this has gone into pulp and paper production, which has created a large renewable value-added sector in Alberta. The advanced technologies sector continued to receive extensive new support for infrastructure (e.g., CFER, WESTAIM, etc.), and assistance to promising companies in biotechnology, advanced materials, and electronics.
- The petrochemical industry has evolved from the energy resource base to become one of the largest manufacturing industries in Alberta. Industry shipments of petrochemicals and other chemical products were valued at $3.5 billion in 1990, nearly half of which were exported outside of Canada.
- A new round of petrochemical investment (valued at more than $1.5 billion) is currently planned, which will further expand Alberta's petrochemical capacity in value-added products. This includes Dow Chemical's $800 million hydrocarbons project in Fort Saskatchewan, as well as Alberta Envirofuels' $300 million MTBE (octane enhancer) facility near Edmonton, and Union Carbide's $350 million expansion of its ethylene glycol plant near Red Deer. These projects are based on Alberta's extensive hydrocarbon reserves, and have been facilitated by the province's regulatory environment and ethane policy.
- The Alberta government has also participated in the development of the $1.3 billion Husky Oil upgrader through 24 per cent direct equity participation. When completed, this project will provide a market for heavy oil, produced in Alberta and Saskatchewan, and will help offset the decline in light and medium crude production. The project will provide benefits to many secondary industries, including equipment manufacturers, oilfield service firms, and suppliers of various kinds.
- The food processing industry has continued to restructure and expand its production capabilities, enabling the industry to competitively export value-added products. The value of processed food shipments, $4.5 billion in 1990, now exceeds the value of primary agricultural production.

- *Perhaps the best measure of how far Alberta has come is to look at the positive economic situation today in the province, compared to the rest of North America which continues to be in recession. For 1991, Alberta is expecting real growth in GDP of 1.5 per cent, the creation of 12,000 new jobs, and net in-migration of approximately 20,000 people. By comparison, the Canadian economy is forecast to contract by 1.1 per cent and the Ontario economy is projected to decline by more than two per cent.*

- The next several years will see a continuation of this strong economic performance in Alberta. The diversification already achieved will help to make the provincial economy more stable and less influenced by cyclical market factors.

THE RATIONALE FOR GOVERNMENT ASSISTANCE

- There has been considerable comment on the recent difficulties of a number of companies which have received loans and guarantees from the Alberta government. A number of points need to be emphasized to place the issue in context:

  - The Alberta government has had a *95 per cent or better success rate on loans and guarantees* to business over the past five years.

  - Alberta's overall success rate on loans and guarantees has been favourable, given the fact that government is generally providing support to business in areas where the marketplace has not responded to business needs or conventional financing has not been available.

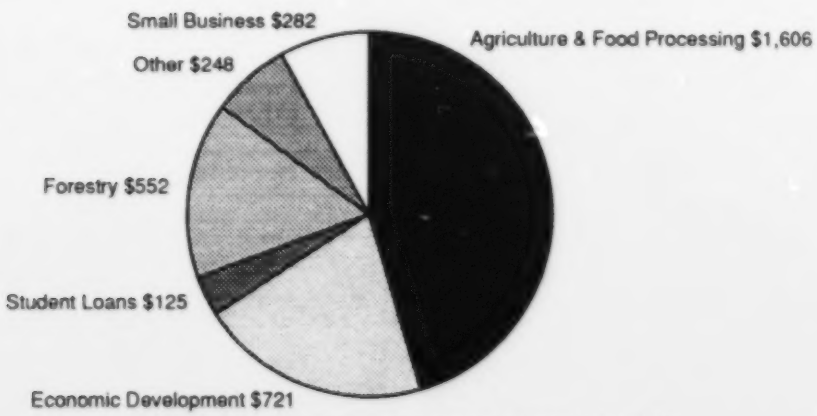
  - Loan guarantees represent only one element of the Alberta government's economic strategy. Guarantees now outstanding total $3.5 billion, as shown in the chart on page six. Over 45 per cent of provincial guarantees support agriculture and food processing. Guarantees also include $282 million in support for small businesses in Alberta, primarily under the $640 million Small Business Term Assistance Plan. In addition, $125 million in guarantees for student loans have been provided by the Alberta government.

  - The use of loan guarantees, and other forms of government assistance, has been necessary to encourage business investment. Guarantees are often used to leverage private sector investment by sharing some of the risk exposure. The Alberta government's exposure is

limited by ensuring that the assets pledged against the guarantee exceed the value of the guarantee. Fees in the range of one-half per cent per annum are charged on loans guaranteed.

- The reason for government involvement is that the venture involves risk but is worth doing to promote diversification. Alberta cannot rely on energy and agriculture forever. The government has backed projects which the private sector would not tackle alone, particularly in the mid-1980s when the economy was not doing well. With risk, there is always the possibility of some losses.

PROVINCIAL GUARANTEES BY PURPOSE
(millions of dollars)



Outstanding loan guarantees as at January 15, 1991: $3.5 billion
Source: 1991 Budget papers – "An Accounting to Albertans"

- There is financial disclosure through the Public Accounts on those loans and guarantees provided by the Alberta government. Roughly 90 per cent of requests for non-program assistance are declined, and those approved are monitored closely through receipt of financial statements, periodic reports from the clients' bankers and ongoing contact with the principals involved.

- The extent to which loans, guarantees and other direct assistance was used responded to the economic needs and circumstances of the times. *Looking ahead, the Alberta government sees a much reduced need for this type of involvement as the economy is much stronger today and new private investment is forthcoming.* This is not to say that there will be no further losses, but that the Alberta government believes that the results achieved

E X A M P L E S

Successful Program and Non-Program Assistance to Business

SUCCESSFUL PROGRAM FINANCIAL ASSISTANCE TO BUSINESS

Over the past decade, an energetic partnership of private enterprise, the research community, and government has built an economy in Alberta that is stronger and more diverse than ever before. Alberta's entrepreneurs have penetrated new markets with innovative products and services and new ways of doing business on a global scale.

With private enterprise leading the way, the Alberta government is a committed partner in the province's economic development. Taking its cue from the private sector, government will continue to encourage economic diversification with a range of program and non-program assistance and services designed to help Alberta's business community reduce costs, increase productivity, strengthen marketing skills, and compete effectively in the global arena as we venture "Toward 2000 Together".

Following is a brief overview of five key areas in which Economic Development and Trade is involved, either directly or indirectly, in program financial assistance to business.

Small Business Term Assistance Plan (SBTAP)

This program was aimed at supporting the small business sector through nine per cent debt financing for terms up to ten years. Since its introduction in 1986, approximately 12,000 small businesses applied under the program for total program funding of $1.1 billion. The program funds have been fully expended since October 1986. The losses due to this program are less than one-half of one per cent; that is a better loan recovery record than most commercial banks have with small business customers.

The importance of small business to the Alberta economy can not be overstated: over 95 per cent of Albertans, working in the private sector, are employed in firms with fewer than 100 employees. Allowing these firms to remain competitive in the face of high interest rates contributes to the further growth and diversification of the Alberta economy.

Alberta Small Business Interest Shielding Program

The objective of this program was to shield Alberta small businesses and farms from interest rates over 14 per cent, to a maximum shielded interest rate of 19 per cent. The interest shielding was retroactive to March 1, 1989 and terminated with the decline of interest rates nation-wide. To September 20, 1990 the program had made rebate payments in excess of $3.6 million. This program was a way of lessening the burden of high interest rates on Alberta's business community with a fairly low risk to Alberta taxpayers.

Alberta Capital Loan Guarantee Program

This program has helped improve the availability of credit to expanding and emerging Alberta small businesses by providing partial guarantees to lenders. To be eligible, loans cannot exceed $100,000 and must be new loans for the construction, acquisition, or improvement of fixed assets, or to provide additional working capital. Only 1.5 per cent of the over $27 million worth of guarantees have defaulted. Like SBTAP and the Interest Shielding Program, the Alberta Capital Loan Guarantee Program has been aimed at small business, as it is the small-business men and women of Alberta who create most of the jobs and income on which Alberta families rely. Applications are no longer being accepted for this program.

Export Loan Guarantee Program (ELGP)

Since its inception in 1984, the Export Loan Guarantee Program has provided 287 partial guarantees of loans totalling over $219 million to assist in the production of export orders. Of the guarantees issued, 208 have been retired or cancelled. As of March 31, 1991, there were 79 guarantees outstanding for a total of approximately $67 million.

The companies' estimates of the value of orders financed by the ELGP is just over $800 million. One-hundred sixty-one unique business have benefited from the program over the past six years. In addition to the creation and maintenance of more than 16,000 jobs in Alberta, this program has assisted in the acquisition and development of new technology for Alberta businesses. Given these benefits, the default cost of less than three per cent of the total guaranteed amount has been well worth it.

Alberta Opportunity Company (AOC)

AOC was incorporated in 1972 as a Crown corporation to provide financial assistance by way of loans and guarantees and guidance for the development of small and medium-sized Alberta businesses that are unable to obtain financing in the private sector. Over the years, AOC has expanded beyond lending to provide additional services including consulting services, equity investments and conferences for entrepreneurs.

In 18 years of operations, AOC has approved more than 5,700 loans and guarantees totalling some $56.5 million. Total losses over that period are approximately 10 per cent to 12 per cent of funds disbursed. Given that AOC is restricted by its mandate to provide funding only "where funding is not available in the commercial lending sector on reasonable terms and conditions", the overall success rate on these loans and guarantees is commendable.

SUCCESSFUL NON-PROGRAM FINANCIAL ASSISTANCE TO BUSINESS

SLAVE LAKE PULP PARTNERSHIP – ALBERTA ENERGY COMPANY LTD. (MAJORITY PARTNER)

General Information: The funding allowed the firm to build a 110,000 tonne chemi-thermo-mechanical pulp mill in Slave Lake. Total estimated value of the project was originally $168,400,000, however, it is currently in excess of $190 million. *One-hundred twenty-two mill and woodland jobs will be directly created and 245 indirect jobs will result from this major project.*

Rationale for Giving Assistance: To promote the continued growth and development of the forestry industry in Alberta.

Type and Amount of Assistance: Loan guarantee to a maximum of $96 million to cover 60 per cent of the project construction costs (including interest during construction) and infrastructure development assistance of $4.2 million (the latter provided through Alberta Forestry, Lands and Wildlife).

Guarantee Fee: One-half per cent per annum.

Note: Attributed to Forestry, Lands and Wildlife in the Public Accounts.

ALBERTA NEWSPRINT COMPANY LTD./ALBERTA NEWSPRINT FUNDING CORPORATION

General Information: A loan guarantee of $220 million and infrastructure support of no more than $8.3 million was approved to assist the company to construct a world-class newsprint plant near Whitecourt designed to produce 220,000 tonnes of paper annually. The total value of the project is $445,000,000. *The project will create 720 person years of construction jobs and 375 permanent mill and woodland jobs, as well as approximately 750 indirect jobs.*

Rationale for Giving Assistance: To promote additional processing in Alberta by addition of newsprint production to the pulp plant.

Type and Amount of Assistance: A loan guarantee of $220 million and infrastructure support of no more than $8.3 million

Guarantee Fee: One-half per cent per annum.

ATLAS LUMBER (ALBERTA) LTD.

General Information: The assistance allowed Atlas to purchase and reopen the Revelstoke sawmill in Sentinel *employing 75 people in mill and woodland jobs.*

Rationale for Giving Assistance: To assist with financing to enable Atlas Lumber to purchase and re-open the closed Revelstoke sawmill at Sentinel.

Type and Amount of Assistance: A loan guarantee not exceeding $1 million for loans totalling $1.2 million.

Guarantee Fee: One-half per cent per annum.

Note: Attributed to Forestry, Lands and Wildlife in the Public Accounts.

WELDWOOD OF CANADA LTD. – HINTON PULP MILL

General Information: A loan guarantee for $285 million over six years was provided for modernization and expansion of its bleached softwood kraft pulp mill at Hinton. The project value totals $350 million. The assistance package included a utilities grant for water and sewage treatment of up to $8 million and financing of $10 million to assist the company with timberland roads and silvaculture. *The project will create 1,140 person years of construction jobs and 370 direct jobs, as well as 950 indirect jobs.*

Rationale for Giving Assistance: To encourage expansion and modernization of the company's Hinton mill.

Type and Amount of Assistance: A loan guarantee for $285 million over six years and a utilities grant for water and sewage treatment of up to $8 million and financing of $10 million.

Guarantee Fee: One-tenth per cent per annum.

Note: Attributed to Forestry, Lands and Wildlife in the Public Accounts.

DELTA CATALYTIC CORPORATION

General Information: The Alberta government has provided an 80 per cent loan guarantee for a maximum of $15.2 million to assist with the purchase of Dillingham Construction Ltd., a Vancouver company that has been relocated to Calgary *resulting in a transfer of Head Office jobs plus new construction jobs* as Dillingham expands. Dillingham is a major industrial contractor experienced in pulp mills.

Rationale for Giving Assistance: To assist in the acquisition of Dillingham, the relocation of the head office to Calgary and expansion of Dillingham operations in Alberta.

Type and Amount of Assistance: An 80 per cent loan guarantee for a maximum of $15.2 million – actual liability under the guarantee is $12.6 million.

Guarantee Fee: One-half per cent.

PELORUS NAVIGATION SYSTEMS INC.

General Information: The guarantee assisted the company in a purchase of technology from a receiver for Leigh Instruments in bankruptcy. *Ten jobs were immediately retained* owing to the assistance. Pelorus projects that *400 person years of new employment over five years will be created* as a result of assisting this company.

Rationale for Giving Assistance: To transfer technology from Leigh Instruments in Toronto. This technology relates to guidance systems utilized at airports.

Type and Amount of Assistance: A $1.5 million loan guarantee.

Guarantee Fee: One-quarter per cent per six months.

SUNPINE FOREST PRODUCTS LTD.

General Information: A pro rata loan guarantee for 85 per cent of a $6 million loan was provided to the Royal Bank of Canada on behalf of the company for purchase of the idle Revelstoke mill near Sundre, plus the addition of a pressure treating facility. *There are 80 mill, woodland and trucking employees with Sunpine.*

Rationale for Giving Assistance: To assist with financing for this project in an area of high unemployment.

Type and Amount of Assistance: A guarantee of 85 per cent of a $6 million loan.

Guarantee Fee: Currently at one-half per cent per annum.

ALBERTA STOCK EXCHANGE

General Information: The Exchange in Calgary was provided with a partially forgivable $1 million interest-free loan to computerize the trading floor. Share volumes and trading values have increased dramatically at the ASE, despite the October 1987 market crash. The Alberta government assistance has created new opportunities for the ASE in that their links to other Canadian and US exchanges have been enhanced. *New employment created as a result of this assistance ranges from four to six persons depending on the level of trading activity.*

Rationale for Giving Assistance: There was emphasis on the Alberta capital markets and their enhancement in late

1986 and lasting until 1989 (e.g., the Alberta Stock Savings Plan) which provided justification for providing the loan to the Exchange.

Type and Amount of Assistance: A partially forgivable $1 million interest-free loan. Repayments started on March 27, 1989 and will continue at $100,000 per annum until 1999. The loan remains interest-free until then.

SAUDER INDUSTRIES LTD.

General Information: A loan of $4 million has been provided to Engineered Profiles (1989) Limited, a wholly owned subsidiary of Sauder Industries to purchase Engineered Profiles Ltd. of Calgary which manufactures vinyl window frames. The total value of the project is $8 million.

Approximately *20 new jobs will ultimately be created*, with the company employing a total of 40-50 people. Alberta Career Development and Employment has committed to providing $60,000 in training and job creation assistance (December 2, 1987).

Rationale for Giving Assistance: To influence the company to move part of its plastics operations to Alberta as opposed to Washington State.

Type and Amount of Assistance: A loan of up to $4 million.

EDO CANADA LTD.

General Information: The Alberta government has purchased $6.7 million of preferred and common shares of the Calgary company to assist with financing for development of fibre composite products and advanced ceramics. The company also received $2.9 million in research and development grants to carry out advanced ceramics research. This assistance enabled the company to obtain a $40 million defence contract to construct wing tanks for military aircraft *resulting in approximately 115 new jobs being created*.

Rationale for Giving Assistance: To influence EDO Corporation in the U.S. to expand its Calgary plant, and carry out further research and development in Alberta.

Type and Amount of Assistance: $6.7 million of preferred and common shares (representing approximately 40 per cent ownership) and $2.9 million in research and development grants.

NEW NOBLE SERVICES

General Information: The Alberta government purchased $300,000 of redeemable convertible preferred shares of the company and provided an initial export loan guarantee of $150,000 to assist in the purchase of plant assets and to provide working capital required to carry on operations. The ELG balance now stands at $2.4 million. *The plant initially employed 20 persons, increasing to 110 during peak production periods.* There has been a complete turn-around in the company's financial status and approximately $92,000 of the shares have been repurchased. The plant is the major employer in the town of Nobleford.

Rationale for Giving Assistance: To prevent the dismantling of the Nobleford plant by Vicon Inc. and moving production to Winnipeg.

Type and Amount of Assistance: $300,000 of redeemable convertible preferred shares and an export loan guarantee currently standing at $2.4 million.

DAISHOWA CANADA CO. LTD.

General Information: The Alberta government will provide $74.7 million in infrastructure support to construct a railway, roads and a bridge for the $560 million bleached kraft pulpmill. *The project will create 2,000 person years of construction and 630 permanent mill and woodland jobs, as well as approximately 1,260 indirect jobs near Peace River.*

Rationale for Giving Assistance: To assist with the development of the forest products industry in Alberta.

Type and Amount of Assistance: $74.7 million in infrastructure support.

FIVE CASE STUDIES

Employment and Spin-off Benefits

- GAINERS INC.
- DAISHOWA CANADA CO. LTD. (PEACE RIVER PULP DIVISION)
- HUSKY OIL BI-PROVINCIAL HEAVY OIL UPGRADER PROJECT
- INTERA INFORMATION TECHNOLOGIES CORPORATION
- ALBERTA-PACIFIC FOREST INDUSTRIES INC. (AL-PAC)

GAINERS INC.

1. Description of the Project

The Alberta government provided assistance to the company in establishing an agricultural products processing facility in Picture Butte (approved in March 1988). The company has since been seized by the government for failure to make an interest payment due in October 1989.

2. Brief Description of Government Assistance

A loan guarantee of $55 million and a loan of $12 million (only $6 million disbursed), plus $35.8 million in direct loans from the government's nominee and a $10 million working capital guarantee, both of which were arranged subsequent to the government assuming control.

When the Province took over Gainers, it acted not only as a creditor to protect its assets, but also to preserve jobs and maintain the last major meat processing plant in Alberta with a national presence.

3. Economic Benefits

Gainers contribution to Alberta's economy is significant:

- *employs 1,200* plus people in Edmonton;
- direct annual labour payroll over $45 million;
- *2,800 indirect jobs supported;*
- shipment (goods and services) over $400 million, equal to more than four per cent of this city's manufacturing sector;
- processes more than one million cattle and hogs in Alberta annually;
- the manufacturing value contributed is approximately $140 million annually.

The estimated impact on the Province's secondary manufacturing sector is summarized as follows:

- pays more than $550,000 in local property and business taxes annually;
- pays $2.9 million in utility expenses annually;
- personal income taxes paid by Gainers' employees amount to approximately $8 million annually (of which an estimated $2.5 million accrues to the Province);

- more than $50 million is expended annually by Gainers for outside services;
- employs the services of over 100 local and national businesses, ranging from truck rentals to stationery suppliers.

In 1989, Gainers' Edmonton operating expenditures included approximately:

- $ 133.0 million for cattle
- 111.0 million for hogs
- 54.0 million for salaries, wages and benefits to workers
- 3.5 million for utilities and taxes
- 46.5 million for supplies, maintenance and advertising
- 17.5 million for transportation

$ 366.5 million total operating expenditures

Select List of Alberta Manufacturing, Supply and Service Firms to Gainers

Suppliers

Chromato Label Manufacturing Ltd. (Labels)

Sheraton Business Forms Ltd. (Printers)

General Fasteners Ltd. (Shipping Supplies)

Price-Daxion (Paper Products)

Uniwest Packaging Products Ltd. (Packaging Products)

Western Concord Manufacturing Ltd. (Plastic Products)

Layfield Plastics Ltd. (Plastic Products)

Quint Distributing Ltd. (Sealing Tape)

Goodall Rubber co. of Canada Ltd. (Rubber Boots)

Reynolds Manufacturing Co. Ltd. (Work Clothing)

U.F.L. Foods Inc. (Spices)

Domtar Packaging (Corrugated Boxes)

MacMillan-Bathurst Inc. (Corrugated Boxes)

Service Transport and Transport Leasing

Ryder Truck Rental Canada Ltd. - Edmonton

T.N.T. Employment Consultants - Bon Accord

Grimshaw Trucking Limited - Edmonton

Alltrans - T.N.T. Roadfast

Highway 13 Limited

Andy's Trucking - Lamont

Aries Express Delivery

Atomic Transportation System Inc.

A.M.J. Campbell Van Lines

Imperial Roadways
Canyon Distributors Limited
Porter Transport
Clarkson Transport Limited
Chi-Can Freight Forwarding Ltd.
Clark Transportation Ltd.
Gottrell Transport Inc.
Cougar Freight Systems
Canadian Freightways Limited
C.P. Express and Transport
C.P. Rail
Robyn's Trucking
Derkson Transport Limited
Edmonton Transfer Limited
Trans Western Express
Northwest Transport Ltd.
H & R Transport Ltd.
Orlick Transport Ltd.
Kindersley Transport Ltd.
Kingsway Freightlines Ltd.
Kwikasair
L.E.P. International Inc.
Lukes Cartake - Red Deer
MacDonald's Consolidated Trucking Division
Motorways
Points North Transportation Inc.
Jerry Reid Trucking
Reimer Express Lines Ltd.
Circle T Lines (1984) Ltd.
Ron Rick Refrigerated Express
M.J. Duval Transport Ltd.
Byers Transport Ltd.
Towpich Express Lines Ltd.
Trans X Ltd.

Air Canada Cargo
Arnold Bros. Transport
Canadian Airlines International
Trimac Transportation System
10-4 Truck Shuttle Service Ltd.
Weibels Express and Transport Ltd.
Yellow Freight Systems
W. George Trucking Ltd. - Sherwood Park
Intercity Truck Lines Canada Ltd.
Sten Holding - Norway
Stross Management
R & M Friesen Trucking
C.P. Intermodal Services
C.N. Intermodal Services
Armstrong the Mover
Jomac Express Ltd.
Truck All Depot Ltd.
Triline Freight Systems
Duckerings Transport Ltd.
Fridman Trucking
Ketch Transport Ltd.
La Crete Transport Ltd.
Medeita Transport Inc.
Paulls Transport
Provost Cartage Inc.
Rosenau Transport Ltd.
Spendiff Transport Ltd.
Totem Delivery Services Ltd.
Whitecourt Transport Ltd.
Rainbow Transport 1974 Ltd.
Wolf Transport Ltd.

Worthing Transport Edson Ltd.
Central Carriers Edmonton Ltd.
Sokil Express Lines Ltd.
Consolidated Fastfrate Transport Group
White Pass Systems Ltd.
Bisow Transport
Berward Transport
Big Red Express
Brown's Transport
Blazing Star
United Truck Depot
Devon Transport
Dominion Hot Spot Messenger Service
Fargo Transport
Flash Transport
Hoffman Trucking Ltd.
Highway 9 Express
Hardisty
Maiko Transport Ltd.
Morinville Express
Morinville Transport
North Central Express
Pony Express
Thorsby Transport
Wallace Transport
Sidlowich Transport
Robfam Transport
Pacific Northwest Transport

Other Services

Righway Auto Decore & Sign Ltd. - Spruce Grove
G.N. Johnston Equipment
Cliff's Towing Service Ltd.
Livingston (Custom Brokers) International Inc.
Trans Canada Freezers
Q.F. Foods Distribution Services Ltd.
Alberta Monogram and Embroidery Ltd.
Rollies Truck Wash (R.W. Piggott)
Greg's Truck Wash
Rocky's Battery
Dost Auto Repair
Edmonton Trucks Ltd.
Hughes Petroleum Ltd.
Crown Tire Service Ltd.
Fruehauf

DAISHOWA CANADA CO. LTD. (Peace River Pulp Division)

Project Description

Construction of a greenfield bleached kraft pulp mill near Peace River. The $580 million mill began operation in July 1990. Daishowa Canada is 100 per cent owned by Daishowa Paper Mftg. Co. Ltd. of Japan which has annual sales of approximately $3 billion.

Government Assistance

- The government agreed to provide an estimated $65.2 million of road, rail and bridge infrastructure. The federal government provided $9.5 million.
- This form of assistance promotes the general development of a region, and defrays costs which would normally be external to a project located in a well-developed area of Alberta.

Economic Benefits

- *600 permanent direct mill and woodland jobs created.*
- *200 indirect and induced jobs in Alberta.*
- $329 million of the $580 million projects costs were spent on goods and services in Alberta.
- Over the two year construction period (March 1988 - July 1990) the *average pulp mill construction manpower was 650 (with a peak of 1,450) and offsite infrastructure was an additional 100 (with a peak of 200).*
- Construction wages were $75 million.
- Annual regional and provincial expenditures are expected to be $95 million once the pulp mill is operating at full capacity.

Select List of Alberta Manufacturing, Supply and Service Firms to Daishowa

Contractors

A & B Rail
ATCO
Bird Construction
Dumbarton
Estabrook Construction
Foundation Co.
Fuller Austin
Intracon Power
Kallbom Sand & Gravel
Karnorth Construction
Ledcor
North American Construction
N.A. Site Development
PCL Construction
Petrifond Foundation
Stuart Olson Construction
Arpis
Chamco
Crosstown Heat
Northwest Diving
Smashnuk Fencing
Westburne Electric
Wirtanen Electric

Engineering

Hanson Materials Engineering
Hardy BBT
Klohn Leonoff
Stanley Associates Engineering
UMA Surveys

Equipment/Materials/ Manufacturers/Suppliers

Central Fabricators
Northern Steel
Spartan Controls
Supreme Steel
Babco Electric
Brown & Root
Canadian Erectors
C.D. Nova
Double T Equipment
Eecol Electric
Flygt
Gescan
Empire Iron Works
G.L.M.
ICS Automation
Kit Business Equip.
Lytle
Marclin Westeel
M.H. Robertson
Relcon
Rosemount
Ruel Bros.
Safety Supply Can.
Siemens
Tempheat
Triple M. Fibreglass
Vicwest Steel
Vulcan Mach/Equip
Waymarc Indust.
Supercrete
Lorenz
Northern Access
Nusco Manufacturing

Surveying

North Point Land Surveys
Supercrete

HUSKY OIL BI-PROVINCIAL HEAVY OIL UPGRADER PROJECT

Project Description

A $1.37 billion heavy oil upgrader, located near Lloydminster, which will produce 46,000 barrels/day of synthetic crude oil from Saskatchewan and Alberta heavy oil and bitumen production. Plant start-up is scheduled for September 1992. This project will provide further processing of heavy oil in Western Canada, and help to secure Canada's oil supply for the future.

Government Assistance

The upgrader is owned by a joint venture of three governments and Husky. The investments are: for the Government of Canada - 31.67 per cent; for Husky Oil Operators Ltd. - 26.67 per cent; for Alberta - 24.17 per cent; and for Saskatchewan - 17.5 per cent.

Economic Benefits

- The project is expected to *create about 5,800 person-years of employment during its four year construction phase* (scheduled to be completed September 1992).
- The project is providing substantial work for five major Alberta engineering procurement and construction firms. Extensive work is also being undertaken by Alberta metal fabrication plants (pressure vessels, exchangers, structural steel) as well as suppliers of pipe, conduit, fittings, valves, controls and instrumentation.
- When production begins, *up to 1,830 permanent jobs will be created - 330 of them at the upgrader, and up to 1,500 at crude oil recovery sites*, primarily in the Lloydminster, Cold Lake area.
- *Thousands of additional indirect and induced jobs will be created in other parts of Alberta and Canada.*
- It is estimated that nearly $10 billion (1987 $) will be spent during the four years of construction and 25 years of operation. Almost 90 per cent of these expenditures will be in Alberta and Saskatchewan.

Select List of Alberta Manufacturing, Supply and Services Firms to the Husky Oil Bi-Pronvincial Upgrader

Contractors

North American Construction
Lampson Canada
Miazga Construction Ltd.
Brytex Building
Frocan Industrial
Sterling Crane
Premay Rigging & Construction
Par-2 Construction
Bechtel Canada Inc.
Dilcon
P C L Industrial
Gramarc Construction
Cana Ltd.
H M W Holdings Ltd.
Foundation Company
Comstock Canada
Mustang Engineering & Construction
Sparrow Electric
Bird Construction
Craftex Contractors
Brodsky Construction
Lockerbie And Hole
Lux Construction
F M X Construction
Paramount Paving
Page Oilfield Consultants
A And B Rail
Valley C Farm & Construction
Lloyd. Inves. & Security
Chemco Electrical
N.C.L. Contracting
Commonwealth Construction
Kondro Electric 1980
A T C O
Kehew Construction Ltd.
Lakeland College
Atco Ind. Manufacturers

Engineering

Bantrel Inc.
P B S
S N C/FW
Raffin Electric Co.
Monenco Limited
Kilborn-Bantrel
Partec Lavalin Inc.
Usher Canada Limited
Hardy B.B.T. Ltd.
Torchinsky Engineering Ltd.

Equipment/Materials/ Manufacturers/Suppliers

Dacro Industries Ltd.
Wells-Hall Fabrication
Wesco
Peacock Inc.
Universal Industries
Spartan Controls Ltd.
Valtek Controls Ltd.
Rosemount Instrument
Alco Gas & Oil Production
C.B. Engineering Ltd.
Brian Controls
Thermo Electric (Canada)
I T T Barton Instrument
Lytle Specialties Ltd.
Inland Valve
Airguard Industries

Makloc Buildings
Telford Oilfield Production
Yarway c/o Barber Engineering
Raffin Electric Co.
Spartech Manufacturing
Grinnell Supply Sale
Eecol Electric Ltd.
Hayley Industrial
General Equipment Limited
Inland Valve
Century Valve Ltd.
Cessco Fabricating
Natco
Wilron Equipment Ltd.
Erichsen Industries
Zazula Process Equipment
Hudson Northern Industrial
Don Buck Fabrication
Uni-Melt Ltd.
National Oilwell
Canadian Erectors Ltd.
Geco Steel
Gough Electric Ltd.
Roughneck Heaters
Foster Wheeler
Mainland Ind. Ltd.
Braeside Fabricators
Western Rock Bit Co.
Exchanger Industries
Daniel Industries Canada
Jenkins Controls Systems
Westburne Industrial
Square D Canada
Lotepro Engineering
Compac Ltd.
Orbit Valve Canada Ltd.
Thermon Canada Limited
Capitol Pipe & Steel
Nor'West Controls
Controtech Measurements

Babco Electric & Engineering
Maloney Steel Ltd.
Marclin-Westeel Ltd.
C.D. Nova Instr.
Relcon Inc.
Northern Steel
Empire Iron Works
Quality Fab
Barber Industries
John Zink Canada Ltd.
G.L.M. Tanks & Equipment
Porta-Test Systems Ltd.
Petro Eqiupment Sales
Western Research
Nardei Fab.
R. Angus Alberta Limited
Kranco Mat. Handling
Engineered Air
Petwa Canada Ltd.
Supreme Steel Ltd.
Born Heaters Canada
Triangle Steel
Brown & Root
Horton C B I, Ltd.
Dominion Bridge

Bulk Commodity Purchase
Comco Pipe & Supply
Specialty Steels
Nedco Ltd. (Div. of
Newmans Valve Ltd.
Lytle Specialties Ltd.
Inland Valve
Telford Oilfield Production
Century Valve Ltd.
Armour Valve Ltd.
Bartle & Gibson Co.
C.W. Carry
Kehewin Oilfield Services
Russelsteel Inc.

INTERA INFORMATION TECHNOLOGIES CORPORATION

Corporate Profile

Intera Information Technologies Corporation (INTERA) was incorporated in 1974. Its head office is in Calgary and the company *employs approximately 800 people worldwide, 120 of whom are in Calgary*. This number of employees has increased from approximately 400 in 1988. The company is one of Canada's largest high technology companies with revenues approaching $100 million. Intera ECL Petroleum Technologies, Intera's Business Unit based in the United Kingdom, supplies petroleum software, exploration data producers and consulting services to the petroleum industry. The Business Units in Canada, Intera Kenting and Intera Technologies, specialize in supplying data products such as radar equipment and infrared photographic products from aerial survey systems. Depending upon customer requirements, these data products are either sold directly or processed further and interpreted using proprietary software. Increasingly, Intera's products are sold for use in Geographic Information Systems.

Government Assistance

Approval was granted to provide a loan guarantee of up to $10 million in principal plus interest to allow the company to purchase capital equipment to service a $58 million Ice Reconnaissance Contract with the Government of Canada.

Corporate Success

The loan guarantee was returned on March 13, 1990. Intera has since established a company in the Soviet Union for the sale of services based upon the same technology used on the Canadian contract.

Funds Leveraged

In February 1990, Intera went public raising $22 million dollars. The funds from the offering were used for general working purposes and the repavment of bank debt resulting in the cancellation of the Province's guarantee. The Canadian Government Ice Reconnaissance Contract was an important factor in allowing the company to go public.

Economic Benefits

Intera has involved other Alberta companies in their projects including Itres, Dataspan and Nortech. The addition of the Canadian Government Ice Reconnaissance Contract for the Atmospheric Environment Service has allowed Intera to both build on that reputation and to establish a very substantially upgraded systems development capability. The project created many additional engineering jobs within Intera, and has created spin-off benefits for many Alberta-based suppliers and companies which supply products and services to Intera.

Development/Ongoing Expenditures

1. Development: During the development of the airborne radar system, i) *approximately thirty people were employed for two years*; ii) approximately $4 million was spent internally on system development; and iii) in excess of $2 million was spent purchasing services/products from Alberta-based subcontractors. These contractors include ITRES, Alberta, Aircraft Overall and Western Avionics.

2. Ongoing: The Division that operates the Challenger Aircraft *employs 10 people*. In addition, this Division calls on the services of our other Divisions indirectly *employing approximately five additional people*.

Taxes

Intera *employs approximately 110 people in Alberta*. Total payroll taxes withheld was roughly $1,600,000. The Alberta component would be approximately $500,000. In addition, Intera is accruing $1 million annually in Alberta corporate taxes.

Spin-Off Benefits

Intera is the worldwide leader in providing airborne radar services. Up until this point, STAR-2 airborne radar system has been providing ice reconnaissance services only. The company is expanding its range of services to provide exploration, mapping and forestry work as well.

Select List of Alberta Manufacturing, Supply and Services Firms to Intera Information Technologies Corporation

3D Micro (Canada) Inc.
3M Canada Inc.
Abex
ABL Photographic Tech Inc.
Accu Searching
Acklands Ltd.
Active Components
Addon Office Products Ltd.
AD Ventures Studio Inc.
Aero Upholstery
Aero Metal Fabricators
Agga Products Ltd.
Airborne Precision Avionics
Airborne Precision Instruments
Aklands
Alberta Aircraft Overhaul Ltd.
Alberta Computers & Supplies
Alberta Government Telephones
Alberta Inst. of Agrologists
Alberta Oxygen Ltd.
Alberta Treasury Branches
Alberta Computer Cable Inc.
Alberta Public Sector 1990 Issue
Alberta Display
Alberta Climatological Association
Allied Communications
Allpro Courier Ltd.
Allied Tools
Amar Computers
Andrew & Associations Ltd.
Anixter Canada Inc.
Ant Hill Fabrics
Acklands
Arrowhead Spring Water Ltd.
Astra Welding Ltd.
Atkinson, McMahon
Aurora Engineering
Austec Electronic Systems
Autorail Transport
Autodraft Inc.
Aviall (Canada) Ltd.
Baker Aviation Services
Bank of Montreal
Basin Perspectives
Battery House
Bavarian Machine Works
B.D. Art & Drafting Supplies
Beaudril (1987) Ltd.
Beaver Dredging Company Ltd.
B & E Industrial Electronics
Bennett Jones
Berger Hetherington & Assoc.
Bescap & Sportsware
Best Microfilm Service
Blackwoods Beverages Ltd.
Boardwalk Realty Ltd.
Bolt Supply House
The Book Company
Bowen Personnel Ltd.
Bow Valley Welding Supplies
Bowle Enterprises Ltd.
Bow Valley Photographic Serv. Ltd.

Brewster Transportation
Bud's Used Office Furniture
Business Flights
Bush Wood Art Group
Cafo
Cala
Caldraft (1977) Ltd.
Calgary Bindery Ltd.
Calgary Council for Advance Technology
Calgary Stationers Ltd.
Calgary Copier
Calgary Chamber of Commerce
Calgary Stamp & Stencil (1974) Ltd.
Calgary Herald
Calgary Fastener
Calgary Convention Centre
Calgary Hose
Calgary Cares Campaign
Calgary Tower
Camera One Productsion
Campbell Scientific Canada Corp.
Canadian Imperial Bank of Commerce
Canadian Aero Accessories
Canadian Quality Aircraft Inte.
Canox
Canteck Consulting
Canadian Exporters Assoc.
Canadian Freightways
Canadian Corporate News
Canada Transport Ltd.
Canox
Canada Trust
Canadian Log Library Ltd.
Canadian Pacific Hotels Corp.
Cardinal Electronics Ltd.
Carter Mapping (1979) Ltd.
Cascade Avionics Ltd.
Castlecase Co.
CISM - CRSS 911
Cederbrae Translation Services
Cen-Alta Welding Supplies Ltd.
Charron Associates
Chronologic Systems
CIBC Leasing Limited
Cisco Data Products Ltd.
CISM/CRSS 91 Conference
Citipark
Classic Book Store
Clark's Art & Drafting
CMS Computers Plus
Cole Freight Inc.
Color Lazer Products
Colorworks
Commercial Plant Care
Commander Warehouse Equipment Ltd.
Commercial Graphics Ltd.
Commerce Club
Computerland
Computerway
Computer Shack of Calgary
Computronix
Computer Resources
Computouch Ltd.
Computer Rental Centre
Confederation Life Ins. Co.
Concept Business Interiors
Corporate Rate Race
Conttrel Transport Inc.
Cougar Contractors

Cowley Printing
Crisp Management Ltd.
Crossfield Laboratories (1987)
Crowntek Business Centre
CSEG 1991 National Convention
C-Tech Computer Services
CTG, Inc.
Custom Specialities Ltd.
Dasco Data Products
Dataspan Technology Ltd.
Data Networking Services
David R. Hill, P. Eng.
DCS Systems Ltd.
The Delta Bow Valley
Demille Technical Books
Design Centre
Diagrapiz Photo Processing
Diamco Microfilm Products
Digitech Information Services
Digital Equipment of Canada
Dilog Canada
D.M.C. Data Communications Ltd.
Dot Display Ltd.
Drexis Inc.
Dycor Industrial Research
Ebco Looseleaf Systems
Eccol Electric Ltd.
Edo Canada Ltd.
Electrosonic
Electronic Ind. Assoc. of AB
CBS Electric Insulation Materials
Electrolux Canada
Electraslide
Enersource Drafting & Graphics
Enhanced Systems Inc.
Epson Canada Ltd.
Ernst & Young
Esso Petroleum Canada
Etcom Canada Inc.
Execsuite
Expeditors International Forwarding
Exploration Innovations Inc.
Express Airborne
Field & Field
Field Aviation Parts Sales Ltd.
First Western Printing
Focus Building Services Ltd.
Foothills Florists
Fortune 2000 Systems
CISM-CRSS 91
Foto Flight Survey Ltd.
Four Star Hardware & Software
Friday Personnel Services
F.T.A. Systems
Future Electronics
Gemini Learning Systems
General Business Forms Ltd.
Geological Surveys of Canada
Giovanni Translation & Interp.
Global Direct Marketing
Graphic House, The
Graphic Creations Ltd.
Great Northern Data Supply
Greyhound Courier
G.W. Cycle World Ltd.
Hamilton Computer Sales & Rent

Hanover Management Ltd.
Hawk Sheet Metal
Hayhurst Communications Alberta Ltd.
Hayashi & Assoc.
Hewlett Packard Canada Ltd.
Hillman Air Ltd.
Hitachi Denshi Ltd. (Canada)
IFR Precision Instruments
I.L.L. University Library (U of A)
The Impress Corporation
Indel-Davis Ltd.
Industrial Case & Light
Information Group West Corp.
Instar Corporation
International Hotel
International Survival Supplies Ltd.
International Radiography Inspection Service
Inters-Ecl Petroleum Technologies
Integrated Micro Technologies
Inter-City Truck Lines Ltd.
Interface Computer Corp.
Intera Technologies
Inventure Management Ltd.
Itres Research Ltd.
ITT Multicomponents
J.M. Corner Business Interiors
John M. Fisher & Assoc. Ltd.
Jordon Flight Training (1986) Ltd.
Juniper Emblems Ltd.
Kaleidocolor
Kellam Business Products
Ken Borek Aviation Ltd.
Kenway Mack Slusarchuk Stewart
Kestrel Data Ltd.
Kindersley Transport
KLM Royal Dutch Airlines
K-Mac Drafting & Art Supplies
K.R. Marrill Agencies
Kwick Copy Printing
Laidlaw Waste Systems (AB)
Larel Software
Layfield Plastics (1978)
Leavens Aviation Inc.
Leemartin Assoc. Mgmt. Services Ltd.
Lepage, Natalie
Lifestyle Holdings
London Life Insurance Co.
Loomis Courier
Lufthansa German Airlines
Maccosham
MacDonalds Consolidated Ltd.
Mairae Enterprises Ltd.
Map World Services Inc.
Map Town Ltd.
Maps Alberta
Mathieson Photo Service
Moara Printing Ltd.
McCrum's Office Furnings
Media Workshop
Metricomp Systems
Meyers Norris Penny
Imicro Service of Canada
Micrologic Ltd.
Milldang Computer Corporation
The Mitchell Partnership

MJ Systems
Montreal Trust
Mulder Developments Ltd.
Munro Aero Engine Ltd.
National Leading
Neeland Printing
Nexus Exhibit Management
Nortech Surveys
Northwest Survey Corp
Northern Express Messenger
N.W. Associates Engineering Ltd.
Oil Check Labs
Oil City Press
Orhan's Micrographics & Photo Mapping Inc.
Orion Photo Technical Service
The Ortho Shop
Pacific Technical Supply
Palliser Hotel
Panex Show Services
Parsec Productions Ltd.
Paul Fuenning & Assoc. Ltd.
P B Leading
PBSC Computer Training Centre
KPMG Peat Marwick Thorne
Peariso Aviation Ltd.
Petro Canada Inc.
Phoenix Group
Piedmont Aircraft Parts
Pipetech Corporation Ltd.
Pitney Bowes
Pitney Bowes Leasing
The Planning Forum
Positive Concepts
Priority Post Courier
Price Waterhouse Management Consultants
Pro-Graphics (1977) Ltd.
Professional Computer Centre
PSI Circuits
Purolator Courier Ltd.
Q.F. Avionics Centre Ltd.
Qualicase
Radarsat International Inc.
Radioshack
RAE Industrial Electronics Ltd.
Rap-Id
RBC Dominion Securities Pemberton
R.B. Security
Regent Air Parts
Reidmore Books
CISM-CRSS91
RGO Office Products Ltd.
Ricorp Business Machines Inc.
Riley's Reproductions & Printing
Riley's Datashare International
Rivard Advertising
Robinson's Camera Centre
Ronalds Printing
Safety Supply Canada
S&B Consulting Services
Science Team, c/o Calgary Board of Education
Secant Computers
Seismic Image Software Ltd.
Sekom Communications Ltd.
Semad Electronics

Servicemaster of Calgary
Servpro Cleaning Ltd.
Sharps Audio Visual
Shaw United Leasing
Shell Canada, Fleetplan
Shell Canada
Shippers Supply
Silicon Wings Inc.
Silk 'N Wood
Simpson Meyers Hamilton & Duffin Inc.
Simon Enterprises
Simvirski Consulting Inc.
Sivertsen and Assoc.
Skyplan Services Ltd.
Sky Communications Inc.
Skyline Plaza Hotel Calgary
Skyline Displays of Alberta
SLX Management Inc.
Soft Options
Sorentis Burns Cafe
Southam Business Info
Spectrum Business Essentials
Spectrum Services
Stacs Record Centre
Stampede Toyota
Steven Page Enterprises
Storpack International
Stop & Go Reproductions
Stokes
Strata Drymounting & Laminating
The Studio
Studio Kemper Photo Ltd.
Sun Microsystems of Canada Inc.
Sunwest Charters
Superior Business Machines AB Ltd.
Surfaces
Synerlogic
T.A. Kasper & Assoc.
Tenex Data Corporation
Time Air
TNT Mailfast
Tomark Compliance Centre
Topline Printing & Graphics
Topmade Plastics & Neon Signs
T.O.S. Computer Products
Tower Aerospace Inc.
Tower Wheel and Brake Inc.
The Training Centre
Trade Service Group
Trentech Service Calgary
Treck Hall Photographic Inc.
The Triumph
Tydac Technologies
Typetech Office Systems Ltd.
Uniworld Apparel Industries
Vanguard Moving & Storage Ltd.
Vertimac Development Corp
Greer, W.E.
West Canadian Color
Western Electrical Management Ltd.
Western Avionics
Western Data Products Supply
Westwind Design & Display
Westworlds Computers Ltd.
Westin Hotel
Wes Raymond Photography

Western Propeller Company Ltd.

WHMIS Training Services

Wilson-Lewis Stationery

Will & Associates Consulting

Wildrose Geological Services

Wilson Stationers

World Wide Customs Brokers Ltd.

XD Plug Shoppe Ltd.

Xerox Canada Inc.

Zarges AFC Canada Ltd.

Zentronics

ALBERTA-PACIFIC FOREST INDUSTRIES INC. (ALPAC)

Project Description

The Alberta-Pacific mill complex represents a $1.6 billion investment in Alberta's forest products industry. The $1.3 billion pulp mill will produce approximately 500,000 air dry tonnes of pulp per year. Approximately 80 per cent of the pulp produced will be from aspen and poplar. The second phase of investment will be an on-site paper mill with an estimated cost of $300 million.

Government Assistance

- The Government of Alberta has committed approximately $75 million for road, rail and bridge construction. As well, the provincial commitment includes $400 million of debentures of which $250 million is slated for the pulp mill, and $150 million for the paper mill.
- The pulp and paper debentures are repayable loans which will bear interest at the province's rate of borrowing and which represent no cost to the province, and are secured by assets of the company.
- The pulp mill is expected to start up by mid 1993. The Alberta-Pacific paper mill investment will require an Environmental Impact Assessment and a submission to the Natural Resources Conservation Board (NRCB) for review. If the proposal is satisfactory, then Alberta-Pacific will begin construction of the paper mill.

Economic Benefits

Job Creation

- *2,250 person years will be needed* for construction of the pulp mill
- *550 person years will be needed* for construction of the infrastructure and housing
- *365 jobs will be directly created* in operation of the pulp mill
- *75 jobs will be directly created* in capital projects at the pulp mill
- *660 jobs will be directly created* in wood supply
- *825 jobs will be indirectly created or induced* in the region

- *825 jobs will be indirectly created or induced* in other parts of Alberta
- *1,100 jobs will be indirectly created or induced* in other parts of Canada
- *500 person years of employment will be created* in construction of the paper mill
- *200 jobs will be created* in operation of the paper mill including both production and logging

Payroll

- $75 million per year (average over next twenty years)

Export Sales

- $7.4 billion will be generated over twenty years

Property Tax

- 50 per cent increase in Athabasca County property tax revenue is expected

Capital

- $1.3 billion on the pulp mill
- $300 million on the paper mill
- $20 million annually to maintain business - an average of $55,000/day

Operating Costs

- $200 million per year - an average of $550,000/day

Suppliers

- over 300 firms have registered as potential suppliers
- significant capital expenditure on the part of suppliers is expected

C R I T E R I A

Non-Program Assistance

CRITERIA FOR NON-PROGRAM ASSISTANCE

The following criteria are being used in evaluating proposals for provincial government loan guarantees, loans or investments:

1. The project will provide a unique product or service to meet the diversification strategy of the government.
2. The project will generate employment, particularly in areas of Alberta where jobs are needed.
3. The product or service has good export potential, or will replace those currently being imported.
4. There is sufficient owner equity in the venture to limit the Government's risk to an acceptable level.
5. Management possesses or has access to the technical and financial expertise to achieve the company's goals.
6. *For complex proposals, submission of a business plan, with independent professional consultant research, is required to verify that the process is viable and that markets for the product or service are adequate to support the venture.*
7. *The necessary financing is not available, on reasonable terms, from conventional sources without government assistance.*

Fees in the range of one-half per cent per annum are charged on loans guaranteed, and documentation for loans and investments includes interest or dividend payments.

Roughly 90 per cent of requests for assistance are declined, and those approved are monitored closely through receipt of financial statements, periodic reports from the clients' bankers and ongoing contact with principals involved.

L E T T E R S

To the Editor

ECONOMIC DEVELOPMENT
AND TRADE

Office of the Minister

324 Legislature Building, Edmonton, Alberta, Canada T5K 2B6 403/427-2134

May 1, 1991

Letters Editor
Edmonton Journal
Box 2421
Edmonton, Alberta
T5J 2S6

Dear Sir:

I have always appreciated Rod Zeigler's well-researched and accurate reports on economic and business issues of importance to Albertans. However, in his April 23rd column, entitled "Albertans Don't Even Know the Rules of the Game," he expresses confusion over the criteria which must be met before loan guarantees are approved by the provincial government.

In fact, these rules are clearly defined. Before applications for any provincial loan guarantee, loan or investment are approved, many comprehensive conditions must be met. These conditions are designed to ensure that the proposal promotes economic diversification, has a high potential for success, and keeps risk to an acceptable level. Evidence must be presented of the following:

- The project must provide a unique product or service to further the provincial government's diversification strategy.

- The project must create employment, particularly in areas of Alberta where jobs are most needed.

- The product or service must have good export potential, or replace products or services now imported.

- The owner must have sufficient equity in the venture to limit the government's risk to an acceptable level.

- Management must possess the technical and financial expertise required to achieve the company's goals.

- A business plan, which incorporates research by independent professional consultants, must be presented to prove the viability of the venture and the existence of adequate markets.

.../2

- The necessary funding must not be available from conventional sources without government assistance.

- Fees in the range of one-half percent per annum must be paid on loans guaranteed.

Mr. Ziegler also asks: "What vetting mechanisms are used to quantify the risks and calculate the chances of success?" Each application for a loan guarantee is reviewed by government financial analysts with extensive business experience. Consultants outside of government also review each proposal. So rigorous is this selection process that less than 10 percent of all applications are approved.

Successful applicants are then monitored closely through financial statements, periodic reports from the client's bankers and ongoing contact with the principals involved. The fact that 95 percent of all loans and guarantees issued by the Provincial Government are paid back attests to the effectiveness of the approval process. This success rate is even more notable in view of the fact that support is provided to businesses in areas where conventional financing has not been available, and any business project involves an element of risk.

The role the loan guarantee program plays in fostering the provincial government's overall economic diversification thrust should also be acknowledged. The overwhelming majority of loan guarantees succeed in reducing Alberta's traditional dependency on the resource sector, either through value-added processing or the development of new industries and services. To cite one example, the Alberta Newsprint Company Ltd. near Whitecourt obtained a loan guarantee because its proposal for a world-class newspaper plant will promote additional processing in Alberta by adding newsprint production to the pulp plant. This project will also create 375 permanent jobs.

The loan guarantee program represents just one element in an overall economic thrust to achieve a diversified economy. The fact that the outlook for the Alberta economy is now the brightest in Canada provides strong evidence that this strategy is succeeding. Approximately 102,000 new jobs were created in Alberta over five years. Virtually all employment growth has occurred outside the primary energy and agriculture sectors.

According to the Toronto-Dominion Bank's latest forecast, Alberta will lead all provinces in economic growth in 1991. The province is expecting real growth in the Gross Domestic Product of 1.5 percent in 1991, representing 12,000 new jobs and an expected net-migration of about 20,000 people. In comparison, the Canadian economy is expected to decline by 1.1 percent and the Ontario economy by more than two percent.

Looking ahead, the Alberta Government anticipates a much reduced need for loan guarantees and other types of involvement as Alberta's economy continues to strengthen.

.../3

Such a program admittedly involves some degree of risk. The benefits, however, clearly outweigh the risks. With a strong economic foundation, Alberta will be able to assure income security so important to families, and build a prosperous future in which young Albertans will be able to follow their career aspirations without leaving this province.

Yours truly,

Peter Elzinga

Peter Elzinga
Minister

ECONOMIC DEVELOPMENT
AND TRADE

Office of the Minister

324 Legislature Building, Edmonton, Alberta, Canada T5K 2B6 403/427-2134

May 1, 1991

Letters Editor
THE GLOBE AND MAIL
444 Front S.W.
Toronto, Ontario
M5V 2S9

Dear Sir:

In an article in the April 4th issue, entitled "Alberta Misadventures Approach $1 Billion," the writer cites several examples of losses incurred under the Alberta government's loan guarantee program. These losses should be placed in perspective.

Overall, the Alberta government has enjoyed a 95 percent success rate on outstanding loans and guarantees. This statistic is commendable considering that support is provided to businesses in areas where conventional financing has not been available, and that any new business project involves some risk.

The role played by the loan guarantee program in the Alberta government's overall economic diversification strategy also requires further comment. As one element in that strategy, the loan guarantee program is clearly succeeding in reducing Alberta's traditional dependency on the resource sector, either through value-added processing or the development of new industries and services. To cite just two examples:

* The Alberta Newsprint Company Limited near Whitecourt obtained a loan guarantee because its proposal for a world class newspaper plant will promote additional processing in Alberta by adding newsprint production to the pulp plant. This project will also create 375 permanent jobs.

* Engineered Profiles Limited of Calgary, which manufactures vinyl window frames, obtained a loan guarantee which enabled it to move part of its plastic operations to Alberta, instead of Washington state. Twenty new jobs will ultimately be created.

.../2

In particular, my department's Export Loan Guarantee Program has chalked up an extraordinary 97 percent success rate. Launched in 1984, the program is designed to assist Alberta companies that have landed export orders - but lack the preshipment working capital to fill them. Even better news is the fact that the more than 260 guarantees issued to date (total value $199 million) have been transformed into over $800 million worth of export orders and an estimated 16,000 Alberta jobs.

Strict criteria must be met for any loan guarantee application to be successful. So rigorous is the approval process that less than 10 percent of applicants obtain loan guarantees.

Spurred by the loan guarantees program and many other initiatives, the Alberta economy is now seeing the results of its long-term economic diversification strategy. Approximately 102,000 new jobs were created in Alberta over five years, with an additional 12,000 projected in 1991. Virtually all employment growth has occurred outside the primary energy and agriculture sectors. According to the Toronto Dominion Bank's latest forecast, Alberta will lead all provinces in economic growth in 1991.

Hindsight is always easy, especially in an area as inherently risky as new business development. In the view of this government, the risks involved in the loan guarantee program are justified by the returns - increased employment and an economy which is stronger and more diverse than ever before in Alberta's history.

Yours truly,

Peter Elzinga

Peter Elzinga
Minister

E X A M P L E S

Letters Received from Businesses

PROPAK SYSTEMS LTD.

ENGINEERING • DESIGN • FABRICATION • CONSTRUCTION

TELEFAX

TO : THE HON. PETER ELZINGA
MINISTER OF TRADE & ECONOMIC DEVELOPMENT

DATE : APRIL 24, 1991

FROM : ROD McPIKE

FAX NO: 422-9675 NO. OF PAGES: 3

Dear Sir:

Re: 'Elzinga defends silence on loans Article
Calgary Herald, April 23, 1991

Please find attached copy of our response to the Calgary Herald regarding the subject article.

Yours truly,

Alison Hewko

for R.A. McPike
President

RAM/ah

505 EAST LAKE BOULEVARD, POSTAL BAG #2, AIRDRIE, ALBERTA T4B 2C3 (403) 948-2001 TELEX: 038-27718 TELEFAX: (403) 948-7313

PROPAK SYSTEMS LTD.

ENGINEERING • DESIGN • FABRICATION • CONSTRUCTION

April 24, 1991

The Calgary Herald
Press Gallery
The Alberta Legislature
Edmonton, Alberta

Attention: Mr. Ashley Geddes

Dear Sir:

Re: 'Elzinga defends silence on loans Article
Calgary Herald, April 23, 1991

In your Calgary Herald article, dated April 23, 1991 "Elzinga defends silence on loans" it was incorrectly stated that Propak Systems Ltd. was one of eight companies that received a $5 million loan guarantee from the Alberta Government.

New Democrat Leader Ray Martin should be more careful making public statements, extrapolated from dubious sources such as misplaced notes, which could have a detrimental effect on a company's reputation.

In fact Propak has never received a loan guarantee from the Alberta Government. A loan guarantee, dated April 14, 1987, was authorized under the Alberta Economic Development and Trade Export Program, a program under which any Alberta company providing goods or services for export could apply for an export loan guarantee, provided that published criteria regarding capabilities and job creation in Alberta were met.

The export loan guarantee would have been provided to the Royal Bank of Canada for the specific purpose of securing a $5 million operating loan covering course of construction financing for the Thayyem Gas Processing Plant for the Syrian Petroleum Company.

It was a condition of the loan guarantee that it not be effective until all security for the loan to the Royal Bank was in place. This security included the hypothecation of Letters of Credit from the Syrian Petroleum Company. These letters of credit were never received and the $5 million loan never went into effect, therefore the loan guarantee from the Alberta Government was clearly never operative.

The loan guarantee expired, in any event, on June 30, 1988.

406 EAST LAKE BOULEVARD POSTAL BAG #2 AIRDRIE ALBERTA T4B 2C3 (403) 948-2001 TELEX: 038-27716 TELEFAX: (403) 948-7313

psl

The importance of support programs for Alberta exporters cannot be over-emphasised, if this sector of industry, is to survive and provide the resultant development of technology and growth in employment.

Canadian companies must necessarily be provided the same level of support as other successful exporting economies such as the U.S., Japan and Germany. Although criticism of failures is valid, it is counter-productive to denigrate the majority of successful and productive efforts for a small minority of failures which are endemic to all business ventures.

Propak's exporting activities over the past five years have resulted in excess of 450,000 manhours of direct Propak employment and approximately the same amount of spin-off employment with Albertan sub-contractors and suppliers. The importance of exporting efforts cannot be over-emphasised in an increasingly competitive and global economy.

Propak is also somewhat concerned by your article that parties outside Propak could attempt to use your published newspaper article to portray Propak in a negative manner (i.e. financially unsound and dependent on government assistance).

Any assistance that you are able to provide to correct this perception would be appreciated.

Yours truly,

PROPAK SYSTEMS LTD.

R.A. McPike
President

RAM/ah
910184

Caproco
(1987)
LIMITED

8741 - 53 Avenue, Edmonton, Alberta, Canada T6E 5E9
Telephone (403) 465-1187 Telex 037-42787 Fax (403) 466-6432

April 26, 1991

Alberta Economic Development & Trade
Business Finance & Investment Division
9940-106 Street
Edmonton, Alberta
T5K 2P6

ATTENTION: Keith James

Dear Sir:

I thought it would be timely to thank your department for the approval of our application for export loan guarantee. Without this support we would have been unable to continue our international export business.

Although the war in the Middle East did not affect our doing business in the U.A.E., it did affect and delay payments. However, we have been able to maintain a staff of 15 employees without layoff, and the export business within the area is certainly starting to recover. We have received three orders from Saudi Arabia for equipment to be delivered next month, and hope to get back into Kuwait in the very near future.

Thanks again for your cooperation and assistance, which has enabled us not only to continue international exports, but to expand and increase our sales.

Yours very truly,

CAPROCO (1987) LIMITED

Bob Conn
Vice President

BC:bl

NNS NEW NOBLE

April 29 1991

Alberta Economic Development
12th Floor Sterling Place
99400 - 106 Street
Edmonton, Alberta
T5K 2P6

Attention: Mr. Keith James

Dear Mr. James:

Since commencing operations in 1987 as a subcontract manufacturer, New Noble has manufactured and exported over $25,000,000 of conservation farm equipment and employed an average of 80 employees per year.

By working with Alberta inventors New Noble has developed a complete line of modern conservation farming tools including:

-Seed-O-Vator	Victory Equipment, Lethbridge
-Mechanical trip Blade Plow	
-Oscillating Harrow	
-Combine Pick-up	
-Maverick Hay Hauler	Buck Massey, Fort MacLeod
-Fast Lift Deck	Dean Antel, Cardston

New Noble has a solid dealer organization through out the Prairie provinces and during the past year has established dealers in Montana, North Dakota and South Dakota.

We are currently developing a program to increase distribution to additional areas in the United States.

Without the Government of Alberta's investment in preference shares in 1987 (1/3 of which have been redeemed) and the Export Loan Guarantee program the facility in Nobleford would have closed.

Alberta manufacturers continue to face difficult market conditions and intense competition. Other governments in Canadian provinces and U.S. states are vigorously supporting their local manufacturers in efforts to develop new products and markets.

We appreciate the assistance and support of the Alberta Government in developing an environment that enables us to compete fairly.

Yours truly,

NEW NOBLE SERVICES LTD.

per: Ward Krywolt
V.P. Finance

sfm/wk

NEWS RELEASE

DATE: 18 December 1990

Electronics Industry Association
Alberta Aerospace Association
Canadian Advanced Technology Association

Calgary: ***Alberta's high tech industry says government support is critically important.***

The senior representatives elected of three high technology industry associations say the recent failures of two high profile technology companies should not divert attention from the great achievements that came because of government support.

Chairman Robert Blackshaw of the **Canadian Advanced Technology Association** notes that the province's high tech industry now includes more than 1000 firms. "Most importantly", he adds, "These high technology companies provide jobs for Albertans. And, that includes many of the most highly skilled jobs for professionals. The support of the provincial government is extremely important to the industry in light of the low priority given to science and technology in Canada today."

Those comments were echoed by the President of the **Electronics Industry Association,** Cody Slater, who stated, "Diversification in Alberta is a reality because industries like ours have responded to the nurturing environment in this province. The financial support we receive from government is modest, but it is effective. And, to us, it also represents important commitment and moral support.

Edward Fitzhenry, President of the **Alberta Aerospace Association** says, "We need, and support, long term public policy initiatives. Without infrastructure investments by the government, this industry will not be able to keep growing the way it has in the past. We can't let a few highly publicized failures destroy a highly effective partnership between private industry and government."

The **Export Loan Guarantee Program** is cited as one of the government's effective infrastructure investments. Since it was created, it has issued guarantees - guarantees, not grants - with a total value of 199 million dollars. Export orders related to these guarantees totalled more than 750 million dollars with a success rate of 96 percent.

For more information, contact:

Mr. Edward Fitzhenry
President, Alberta Aerospace Association
at Polorus Navigation Systems Inc.
(403) 250-9377
or
Mr. Cody Slater
President, Electronics Industry Association
at B & W Technologies (403) 248-9228

or

Mr. Robert S. Blackshaw
Chairman, CATA
at Keyword Office Technologies Ltd.
(403) 250-1770

Delta Catalytic Corporation

1991-05-01

Hon. Peter Elzinga
Minister Economic Development & Trade
Room 324, Legislature Building
Edmonton, Alberta
T5K 2B6

Dear Mr. Elzinga:

I wish to bring to your attention the benefits that have accrued to the Province of Alberta through the Alberta Government loan guarantee program in which our company has participated.

In June 1989, the Province of Alberta extended to Delta Catalytic Corporation a loan guarantee to enable our company to acquire Dillingham Construction Ltd. which was then headquartered in Vancouver. At that time, Dillingham was 100% owned by a U.S.A. company. In turn, Dillingham owned 47% of the shares of Delta Catalytic.

As a direct result of the above mentioned guarantee, the following benefits accrued:

1. Delta Catalytic acquired Dillingham which resulted in the redemption of our own shares to make Delta Catalytic 100% owned by its employees. Over 94% of the shares are held by residents of Alberta.

2. The administrative and executive headquarters of Dillingham were moved to Calgary and the name changed to Dilcon Constructors Ltd.

3. The Edmonton operations centre of Dilcon was expanded and in excess of $1.5 million dollars was invested in new office and fabrication shop facilities. Approximately 65 personnel are employed in these facilities with the staffing expected to increase to 100.

4. The integration of Dilcon with our other member companies (Delta Projects Inc., Catalytic Maintenance Inc. and CMI Rentals Inc.) resulted in increased employment through Dilcon's field construction activities. Dilcon now employs approximately 600 field construction personnel in Alberta and based on existing contracts, this will increase to 1500 by the end of this year.

400 [illegible], P.O. Box 5244, Station A, Calgary, Alberta, Canada T2H 2N7 (403) 258-6411 Fax (403) 255-1421

5. Future export sales opportunities in engineering, construction and plant maintenance are available to our company through the increased strength resulting from the integration of all of these services under one corporate umbrella.

6. Delta Catalytic Corporation is now the largest Alberta owned firm offering these types of combined services, and is the only recognized Alberta company that can provide balance to competition from companies headquartered in Quebec or the U.S.A.

I wish to express my appreciation to the Government of Alberta for the foresight to undertake loan guarantee support to increase the effectiveness of the private sector which contributes immensely to the success of the Province and provides added growth through increased employment.

Yours very truly,

DELTA CATALYTIC CORPORATION

A.B. Coady
Chairman and C.E.O.

ABC/blh

Road King Trailer Mfg. Inc.
P.O. Box 30, Acheson Road, Winterburn, Alberta T0E 2N0 (403) 962-8889

May 1, 1991

Government of Alberta
Mr. Elzinga
Minister Economic Development and Trade
Edmonton, Alberta

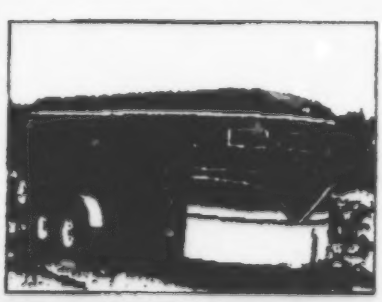
Re: Export Loan Guarantee Program

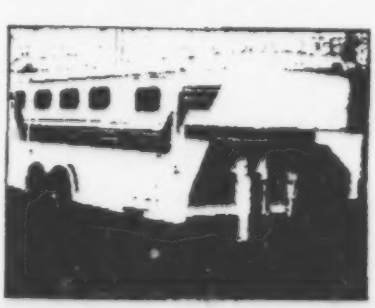
Hon. Peter Elzinga,

Our firm has recently been approved for the "Export Loan Guarantee Program". As of late, criticism has been directed towards this program. May I express my personal views on this matter.

Firstly, your offices should make the public aware that the Loan Guarantees are not Loans directly made to individual firms. The Lenders (Banks) decide whether a loan is to be made and it is the Banks that also set the terms and conditions. The financial risks are taken firstly by the individual company, followed by the financial institutions then the Alberta Government.

The Alberta Export Loan Guarantee Program, has helped our firm in obtaining international sales. As a result, we have added 125 full time positions directly and indirectly. Without the Export Loan Guarantee, financing of international orders would not have been available to us.





We urge your department to continue this much needed program especially in time of economic uncertainty.

I remain,

J E Royer

Joss E. Royer
President of Road King Trailer Manufacturing Inc.

JER/jr

European Cheesecake Factory Ltd.

May 1, 1991

Alberta Economic Development
7th Floor, Sterling Place
9940 - 106 Street
Edmonton, Alberta
T5K 2P6

Attention: The Honourable Peter Elzinga

Re: Alberta Export Loan Guarantee Program

Dear Sir:

With all the criticism currently being given to Provincially secured business loan losses, it strikes me as important to temper the negative with my recognition of the programs positive attributes.

I really appreciate the vision and commitment that this Government has had for the development of small business. It takes a lot of guts to be willing to take heat for the inevitable percentage of losses that unfortunately occur in order to assist the percentage of ventures whose successes truly benefit Alberta's interests overall.

As a current Export Program user, I just wanted to write and say thank you for your support with this and various other programs such as the Nutritive. If the critics would take the time to consider the economic benefits derived from such programs rather than bashing them, I believe they would also speak encouragement. However, since that is not likely the case, we'll just have to remember that a part of leadership is to have the perserverance to push forward the vision before the masses catch on.

Have a great day, be encouraged and may God be with you.

Warmest regards,

Bryan Yakoweshyn
President

BY/pm

152 Cree Road
Sherwood Park, Alta. T8A 3X8
Phone (403) 464-0303
Fax (403) 467-3604

#101, 20530 Langley By-Pass
Langley, B.C. V3A 6K8
Phone (604) 533-1481
Fax (604) 533-2481

#3 - 3911 A Brandon St. S.E.
Calgary, Alta. T2G 4A7
Phone (403) 287-0303
Fax (403) 243-5213

adco POWER CONTRACTORS LTD.

4833 - 89 STREET, EDMONTON, ALBERTA T6E 5L3
TELEPHONE (403) 465-3265

May 01, 1991

Honourable Peter Elzinga, M.L.A.
Minister of Alberta Economic Development and Trade
324 Legislature Building
Edmonton, Alberta
T5K 2B7

Dear Mr. Elzinga,

Presently, we are applying for a Loan Guarantee through the Alberta Government Provincial Export Loan Guarantee Program. We have utilized the Export Loan Guarantee Program over the past three years. It has enabled Adco Power to expand it's operations financially, geographically and in the area of human resources.

Prior to securing our first Export Loan Guarantee, our Company's gross sales were in the order of 1 (one) million dollars. We operated in Alberta and the Northwest Territories and carried a staff of 6 - 10 people. With the assistance of the Loan Guarantee Program, Adco's gross sales will top 5 (five) million dollars in the current year. We now operate in the Yukon Territory, Northwest Territories and Northern parts of Ontario and Alberta. We are also attempting to expand into the remote areas of British Columbia, Saskatchewan and Manitoba. At our peak this year; total staff will exceed 25 employees. These are all substantial increases.

We feel that without the Export Loan Guarantee Program, Adco could not have achieved the above mentioned goals. We are of the opinion that not only Adco, but the entire small business community of Alberta (attempting to export) can benefit from this program. What better way for the people of Alberta to diversify and strengthen the economy than to support small business in this fashion. We strongly support the Program and the efforts of the Honourable Peter Elzinga and his Department.

ADCO POWER CONTRACTORS LTD.

Daryl Kruger
President

DK/rg

2204 - 84 AVENUE
EDMONTON, ALBERTA T6P 1K2
TELEPHONE (403) 464 - 2102
(403) 464 - 2103
FAX (403) 467 - 7821

N.C.L. CONTRACTING LTD.

MAY 01, 1991

ECONOMIC DEVELOPMENT AND TRADE
BUSINESS FINANCE AND INVESTMENT DIVISION
7th Floor, Sterling Place
9940 - 106 Street
EDMONTON, ALBERTA
T5K 2P6

ATTENTION: The Honourable Peter Elzinga

Dear Sir,

I would like to take this time, on behalf of our company, to thank the department of Economic Development and Trade, Business Finance and Investment Division for their support.

In the past year and a half, with assistance of this department we were able to attain an additional $ 500,000.00 in financing through our own bank, with the export loan guarantee program. This additional financing enabled our firm to compete on work outside of Alberta that we would normally not been able to compete on.

As a result of this program, our business has increased its sales by 2.5 million dollars in our last fiscal year and increased our employee total by 45 people. We expect the same results in this upcoming fiscal year with the continued support of this program.

Again we express our sincere thanks for your past and continued support.

Regards,
N.C.L. CONTRACTING LTD.

Dan Garon

DAN GARON
President
DG/tf

THE ALBERTA STOCK EXCHANGE

May 1, 1991

Honourable Peter Elzinga
Minister of Economic
Development and Trade
324 Legislature Building
EDMONTON, Alberta
T5K 2B6

Dear Mr. Minister:

In the mid-1980's it became evident that The Alberta Stock Exchange could only expect to develop and prosper as an integral part of the Province's Capital Market if it embarked upon a major program of total systems automation. With the direct encouragement and support of the Province by way of a term loan the ASE was able to proceed with the design, development and, in late 1988, the implementation of a contemporary automated trading and operational system. The system was developed within the Province and I am very pleased to report it is working successfully and has enabled the Exchange to become truly a part of the network of recognized world stock exchanges. We now are able to compete on an equal or better footing with exchanges around the world on a systems basis with our state-of-the-art trading, information distribution, settlement, and clearing capabilities.

I can even advise that recently we have received indications of interest in our systems from several developing stock exchanges outside of Canada. These enquiries could very well lead to a number of export opportunities for our Alberta technology.

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Stock Exchange Tower, 21st Floor, 300 Fifth Avenue S.W., Calgary, Alberta T2P 3C4
Telephone (403) 262-7791 Fax: (403) 237-0450
Telex: 038-21797

Our growth and development to date would just not have been possible without this system investment and we are most appreciative of the assistance provided to us by the Province at that critical stage in our development. We have always disclosed the form and substance of the loan arrangement without hesitation whenever asked and details are provided in our published Annual Report, copy attached. The loan is currently under repayment in full accordance with our agreement.

Thank you for your support.

Sincerely,

Thomas A. Cumming
President and
Chief Executive Officer

TAC/can

M A R C H 1 9 9 1

Major Development Projects

MAJOR DEVELOPMENT PROJECTS LIST

- This list contains information on major development projects planned for and/or under construction in Alberta and is for the purpose of identifying possible project opportunities for Alberta and Canadian firms.
- Not all major projects proposed for Alberta are listed due to reasons of confidentiality
- This list is not confined to major development projects and may contain projects of smaller magnitude.
- All projects are constantly being re-evaluated by industry. Indicated project status is the best current information made available at the time of printing.
- This list is updated quarterly and is available upon request.

OWNER	PROJECT DESCRIPTION (COST)	LOCATION	GOVERNMENT APPROVAL/ PERMIT	CONSTRUCTION SCHEDULE	CONSTRUCTION PERCENT COMPLETE	ENGINEERING PROCUREMENT, CONSTRUCTION AND MANAGEMENT (EPCM)
Food Processing						
CANADA MALTING	Plant Expansion ($50 million)	Calgary	Approved	1991-93	29%	C.D. Howe-prime consultant. Expansion consists of grain handling facility; upgrade and new malt house. Upgrade two-thirds complete.
WESTCAN MALTING	Barley Malting Plant ($50 million)	Alix	Approved	1991-92	-	
Forestry and Related Projects						
ALBERTA ENERGY COMPANY	BCTM Pulp Mill ($168 million)	Slave Lake	Approved	1989-90	100%	HIPP/UMA Joint Venture-E.P.CM. PCL-civil, Cana - mechanical. Chemco - electrical.
ALBERTA NEWSPRINT COMPANY	Chemi-Thermo Mechanical Pulp & Newsprint Mill ($360 million)	Whitecourt	Approved	1988-90	100%	Nystrom-Lee-Kobayashi - prime consultant. Dilcon Dillingham-civil/ mechanical.
ALBERTA PACIFIC FOREST INDUSTRIES	Bleached Kraft Pulp Mill ($1.3 billion)	Athabasca Area	Approved	1991-96	-	H. A. Simons/Stanley Joint Venture - E.P.CM. H.A.Simons - E.P. Stanley Associates - E.P.
ALBERTA GOVERNMENT	Infrastructure Alberta Pacific Forest Industries ($75 million)	Athabasca Area	-	1991-94	-	Dept. of Transportation and Utilities - engineering main road. CNR - rail spur prime consultant.

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CONSUMERS PAPER CORPORATION	Paper Recycling Plant and Tissue Mill ($30 million)	Redcliff	Approved	1991-92	-	Utilizing reconditioned equipment and site/building previously owned by Douglas.
NORTHEM FOREST INDUSTRIES	Specialty Sawmill ($14 million)	Lac La Biche	-	1991-92	-	Mercurius Pacific E.P.CM. Delayed
PROCTER AND GAMBLE	Bleached Kraft Pulp Mill Expansion ($365 million)	Grande Prairie	-	-	-	On Hold
PROCTER AND GAMBLE	Wood Processing Facility ($35 million)	Manning	-	-	-	On Hold
SUNPINE FOREST PRODUCTS	Sawmill and Related Wood Treating Facility ($33 million)	Rocky Mtn. House	Approved	1991-93	-	E.P.CM. in house. Delayed.
WELDWOOD OF CANADA	Sawmill ($50+ million)	Hinton	-	1991+	-	Weldwood-Project Mgt. Delayed.
Irrigation						
ALBERTA ENVIRONMENT	Irrigation, Main Canal & Storage Development ($550 million over 15 years)	S. Alberta	Approved	1980-95	75%	Work being tendered by Alberta Environment and Irrigation Districts.

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ALBERTA PUBLIC WORKS, SUPPLY & SERVICES	Oldman River Dam ($350 million)	S.W. Alberta	Approved	1986-91	90%	Dam Project - UMA/Acres. Reservoir and related works - Stanley Associates Engineering. W.A. Stephenson/S.C.I. Eng. - main dam contractor. Pigott - spillway contractor. Scheduled for completion mid 1991.
ALBERTA PUBLIC WORKS, SUPPLY & SERVICES	Reservoir Development ($40 million)	Little Bow River (Champion)	-	1992-95	-	Environmental assessment underway.
ALBERTA PUBLIC WORKS, SUPPLY & SERVICES	Reservoir Development ($35 million)	Pine Coulee	-	1992-95	-	Environmental assessment underway.
Oil, Gas and Oilsands						
AMOCO CANADA	Insitu Oilsands Phase 2 ($68 million)	Elk Point	Approved April/85 #4491	1991-2006	-	Planning extended schedule.
850428 AMOCO/SULPETRO	Insitu Oilsands ($158 million)	Lindbergh	Approved Dec./85 #4746A	-	-	Project on hold.

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850686 AMOCO/CANADIAN HUNTER	Insitu Oilsands Five Phases ($1.5 billion)	Primrose Lake	Approved Dec. 1985 #4775	-	-	Project on hold.
BI-PROVINCIAL HUSKY OIL	Heavy Oil Upgrader ($1.3 billion)	Lloydminster	Approved	1989-92	25% (Eng. 95%)	Engineering and project services: Monenco - project management services/sulphur unit. PBS-primary upgrader. Bantrel - secondary upgrader/crude unit. SNC/FW - hydrogen unit/ delayed coking. Kilborn/Bantrel - utilities/offsites. Various subconsultants. Equipment and most materials procured. Major construction packages are being tendered.
CANADIAN LIQUID AIR	Gas Separation Facility ($20 million)	Strathcona Area	-	1990-91	45%	
CHEVRON CANADA	De-Ethanizer ($50 million)	Fort Saskatchewan	Approved	-	-	Awaiting corporate decision. Delta Projects - preliminary engineering complete.
881764 CHEVRON CANADA	Ethane Recovery Plant ($30 million)	Mitsue	Approved	1991 +	-	Project on hold. Kinetic Projects - E.P.C.
851395 ESSO RESOURCES	Insitu Oilsands Phases 7-10 ($325 million)	Cold Lake	Approved	1987-	95%	Brown & Root - construction/ construction management. Central plant complete. Reactivated project on complete field facilities for Phases 7 & 8.

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861041 NORCEN	Gas Processing Plant ($5 million)	Carbondale	Approved #5410	1990	100%	Propak - E.P.C.
871757 NORCEN	Heavy Oilsands Insitu Pilot Plant ($12 million)	Hilda Lake	Approved	-	-	Project on hold.
OSLO	Oilsands Mining ($4 billion)	Fr. McMurray/ Edmonton Area	-	1992-97	-	OSLO and Governments agreed in principle on preliminary phase development/ design assistance. Negotiation continues with Alberta Government on construction phase agreement. Preliminary studies, project planning and field program continuing. Industrial benefits negotiations proceeding.
860168 PAN CANADIAN PETROLEUM	Insitu Oilsands Phase 1 ($90 million)	Elk Point	Approved August 1986	1987-2002	5%	Project on hold.
871056 SHELL CANADA	Expansion Prep II ($570 million)	Peace River	Approved #4389	-	-	Project deferred. Bantrel-preliminary engineering complete.
SHELL CANADA/ MOBIL OIL	Sulphur Recovery ($65 million)	Bearberry	Approved	1989-90	100%	Monenco - E.P.C. Cana - mechanical.
890969 SHELL CANADA	Gas Processing/ Field Gathering ($825 million)	Caroline	Approved	1990-92	5%	Delta/Bolton - plant. Shawinigan Integ - field facilities and sulphur forming.
SUNCOR	Debottlenecking ($200 million)	Fort McMurray	Applied	1990-	-	Project slowed down. Bantrel - preliminary engineering.

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850952 SUNCOR	Oilsands Insitu Phase 1 ($350 million)	Burnt Lake	Approved Dec. 1985 # 4785	1988-	10%	Project deferred.
870593 SYNCRUDE	Major Expansion ($4 billion)	Fort McMurray	Applied	-	-	E.I.A./E.R.C.B. application submitted.
Petrochemicals						
ALBCHEM INDUSTRIES	Sodium Chlorate Plant ($45 million)	Bruderheim	Approved	1990-91	95%	Stanley & Assoc./Cheriton/WH&A - engineering. Krebs - process technology. Graham Bros. - site work. Stuart Olson/Krawford - buildings. Ledcor - mechanical.
ALBERTA ENVIROFUELS	MTBE Facility ($300 million)	Strathcona Area	Approved	1990-92	30%	Fluor-Daniel - E.P.PM.CM. A. Voice - site work. Other contractors: HMW, PCL, Comstock and Bird Construction.
ALBRIGHT & WILSON AMERICAS	Sodium Chlorate Plant ($50 million)	Grande Prairie	Approved	1990-91	25%	In-House detailed engineering. Cutbank - site preparation. PCL - civil. Stuart Olson - building.
CANADIAN OCCIDENTAL PETROLEUM	Sodium Chlorate Plant ($60 million)	Bruderheim	Approved	1990-91	85%	Noram - project management. Chemetics - prime consultant/process package. Associated Eng. - engineering subcontract. Noyen - earthworks. Forest - civil/building. Newland - electrical/mechanical.

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DOW CHEMICAL	Hydro-Carbon Project ($800 million)	Fort Saskatchewan	Approved	1989-94	Caverns 85% Fractionation 5% Ethylene 5%	Project includes cavern development, fractionation, ethylene and poly-ethylene plants. Caverns and under/ above ground: Colt Engineering and SNC - E, Dow - P.CM. Fractionation: Delta Projects - E. Dow - P.CM. Ethylene: in house E.P.CM. A. Voice - site work.
891080 DUPONT CANADA	Hydrogen Peroxide Plant ($120 million)	Gibbons	Approved	1989-91	85%	Fluor-Daniel - E.P.C.CM. North American - site preparation. Letepro - hydrogen plant pkg. HMW and Carlson - buildings.
NOVACOR CHEMICALS	Second Pelletizer ($35 million)	Joffre	Approved	1990-92	40%	Fluor-Daniel - E.P.CM. Everall - foundations.
UNION CARBIDE	Ethylene Glycol Plant Expansion ($350 million)	Prentiss	Applied	1991-95	-	Partnered with Bechtel for front end engineering.
Pipelines and Related Projects						
AMOCO/ FOOTHILLS PIPELINES	Compressor Stn. Turbo Expander Auxiliary Facilities ($30 million)	Empress	Approved	1989-90	100%	Amoco - project management. Delta Projects - E.P.C.
INTERPROVINCIAL PIPE LINE CO.	Liquids Storage/ Injection Facilities ($18 million)	Edmonton	Applied	1991	-	

OWNER	PROJECT DESCRIPTION (COST)	LOCATION	GOVERNMENT APPROVAL/ PERMIT	CONSTRUCTION SCHEDULE	CONSTRUCTION PERCENT COMPLETE	ENGINEERING PROCUREMENT, CONSTRUCTION AND MANAGEMENT CONTRACTOR (EPCM)
NOVA CORPORATION	Pipeline System Capacity Expansion ($1 billion)	Throughout Alberta	Approved	1989-93	On-going	Various contractors.
UNKNOWN	Industrial Water Supply Pipeline to Insitu Oilsands Plants ($150 million)	Cold Lake Area	-	1990-91	-	Under evaluation.
Power Generation						
ALBERTA POWER/ TRANS ALTA	Thermal Power Plant Units 1 & 2 ($1 billion)	Sheerness	HE-7900 July 19/79 O.C. 566/79	1981-90	#1 - 100% #2 - 68%	Monenco - E.P.M. Various subcontractors.
780024 EDMONTON POWER	Thermal Power Plant Units 1 & 2 ($1.4 billion)	Genesee	HE-8007 C80 - 14 O.C. 212/81 222/81	1981-91	#1 - 35% #2 - 100%	Edmonton Power/INTEG - E.P.CM. Various subcontractors.
POWER RESOURCE DEVELOPMENT	Wood Waste Thermal Plant ($30 million)	Whitecourt	Approved	1991	-	
SOUTHVIEW ATHABASCA	Integrated Energy Business Complex ($75 million)	Athabasca Area	Approved	1991-93	-	
T O T A L :	51 Projects ($22.906 billion)					